

ALASKA INTERNATIONAL AIRPORTS SYSTEM
OPERATING AGREEMENT
AND
PASSENGER TERMINAL LEASE

***** (FULL CORPORATE) *****

ADA-

TABLE OF CONTENTS

ARTICLE 1	2
Definitions	2
Section 1.01. Definitions	2
ARTICLE 2	11
Term	11
Section 2.01. Effective Date Agreement.....	11
Section 2.02. Expiration of Agreement	12
Section 2.03. Expiration Procedure and Holdover Tenancy.....	12
ARTICLE 3	12
Use of the Airport System	12
Section 3.01. Use, Generally	12
Section 3.02. Restrictions	13
Section 3.03. Reservations.....	13
ARTICLE 4	14
Lease of Premises	14
Section 4.01. DOT&PF Terminal Management Policy.....	14
Section 4.02. Premises and Preferential Use Privileges.....	14
Section 4.03. Premises Relocation Associated with Terminal Redevelopment Project	15
Section 4.04. Utilization Requirement for Lease of Preferential Use Premises.....	16
Section 4.05. Quiet Enjoyment	19
ARTICLE 5	20
Subordinate Use of Premises	20
Section 5.01. DOT&PF Open Access Policy.....	20
Section 5.02. Procedure for Request for Accommodation.....	20
Section 5.03. Considerations for DOT&PF-Directed Accommodation	22
Section 5.04. Additional Operational Requirements for Shared Use of Exclusive or Preferential Use Premises.....	24
ARTICLE 6	25
Capital Projects.....	25

Section 6.01. Preamble; Pre-Approved Projects.....	25
Section 6.02. Capital Projects Not Requiring Signatory Airline Vote	26
Section 6.03. Process for Capital Projects Requiring Signatory Airline Vote	27

ARTICLE 7 30

Rents and Fees.....	30
Section 7.01. Consideration.....	30
Section 7.02. Acceptance of Payments and Interest on Overdue Payments.....	35
Section 7.03. Additional Rent.....	35
Section 7.04. Adjustment of Rents, Rates and Fees	36
Section 7.05. Non-Signatory Rates and Fees.....	36
Section 7.06. Land Rent.....	36

ARTICLE 8 37

Records and Reports	37
Section 8.01. DOT&PF Records of Airport System Cost Centers	37
Section 8.02. DOT&PF Financial Reports.....	37
Section 8.03. Airport System Annual Audit.....	38

ARTICLE 9 38

Calculation of Rental Rates, Fees and Charges	38
Section 9.01. Annual Adjustment of Rental Rates, Fees and Charges	38
Section 9.02. Allocation Methodology.....	38
Section 9.03. Terminal Rental Rate	39
Section 9.04. Charge for Use of Common Use Premises.....	39
Section 9.05. FIS Fee	41
Section 9.06. Aircraft Ramp Rental Rate	41
Section 9.07. Charge for Use of Airport Administered Premises.....	42
Section 9.08. Aircraft Parking Charges	43
Section 9.09. Landing Fee	44
Section 9.10. Mid-Year Adjustment of Rental Rates, Fees and Charges	46
Section 9.11. Extraordinary Adjustments of Landing Fee Rate.....	46

ARTICLE 10 47

Bond Resolution; Establishment of Funds	47
Section 10.01. Subordination to Bond Resolution.....	47
Section 10.02. Establishment of Funds.....	47
Section 10.03. Deposits into Funds	48
Section 10.04. Uses of Funds	48

ARTICLE 11 **50**

Additional Responsibilities of Parties	50
Section 11.01. <u>*** (Name of Airline) ***'s Responsibilities</u>	<u>50</u>
Section 11.02. <u>DOT&PF's Responsibilities</u>	<u>55</u>
Section 11.03. <u>DOT&PF's Right to Inspect and Make Repairs</u>	<u>56</u>
Section 11.04. <u>Alterations and Improvements</u>	<u>56</u>
Section 11.05. <u>DOT&PF Modification and Relocation.....</u>	<u>58</u>

ARTICLE 12 **59**

Indemnification, Insurance and Subrogation.....	59
Section 12.01. <u>Indemnification.....</u>	<u>59</u>
Section 12.02. <u>Insurance.....</u>	<u>60</u>
Section 12.03. <u>Waiver of Subrogation</u>	<u>62</u>
Section 12.04. <u>Additional Insured</u>	<u>62</u>
Section 12.05. <u>Notice of Claim</u>	<u>62</u>
Section 12.06. <u>Insurance Rates</u>	<u>62</u>

ARTICLE 13 **63**

Assignment or Sublease; Ground-Handling Agreements	63
Section 13.01. <u>Assignment or Sublease.....</u>	<u>63</u>
Section 13.02. <u>Merger.....</u>	<u>64</u>
Section 13.03. <u>Ground-Handling Services.....</u>	<u>64</u>

ARTICLE 14 **65**

Default and Termination.....	65
Section 14.01. <u>Suspension of Privileges, and Right to Reenter and Re-let After Default</u>	<u>65</u>
Section 14.02. <u>Partial Termination Due to Damage or Destruction</u>	<u>66</u>
Section 14.03. <u>Events Permitting Termination by <u>*** (Name of Airline) ***</u></u>	<u>67</u>
Section 14.04. <u>Events Permitting Termination by DOT&PF.....</u>	<u>67</u>
Section 14.05. <u>Surrender of the Premises and Removal of Property.....</u>	<u>68</u>
Section 14.06. <u>Ownership of Improvements</u>	<u>69</u>

ARTICLE 15 **70**

Compliance with Law, Taxes, Policies, Rules and Regulations; Non-Discrimination.....	70
Section 15.01. <u>Compliance With Law.....</u>	<u>70</u>
Section 15.02. <u>Taxes.....</u>	<u>70</u>
Section 15.03. <u>Policies</u>	<u>70</u>
Section 15.04. <u>Nondiscrimination.....</u>	<u>71</u>

ARTICLE 16 **71**

Effect on Other Agreements	71
Section 16.01. Agreement Not to Grant More Favorable Terms.....	71
Section 16.02. Inducements Permitted	72

ARTICLE 17 **72**

General Provisions	72
Section 17.01. Delivery of Notices.....	72
Section 17.02. Severability.....	73
Section 17.03. Officers, Agents, and Employees	73
Section 17.04. Subordination to Agreements with the U.S. Government and to Emergency Declarations	73
Section 17.05. Incorporation of Required Provisions	73
Section 17.06. Non-waiver of Rights	74
Section 17.07. Force Majeure.....	74
Section 17.08. Contract Interpretation.....	74
Section 17.09. Federal Aviation Act, Section 308.....	74
Section 17.10. Radio Interference	74
Section 17.11. Obtaining Federal and State Funds	75
Section 17.12. Management Audits	75
Section 17.13. Project Management.....	75
Section 17.14. PFCs.....	75
Section 17.15. Governing Law.....	75
Section 17.16. Inspection of Books and Records.....	75
Section 17.17. Generally Accepted Accounting Principles.....	75
Section 17.18. Modification Necessary for Grant of FAA Funds	76
Section 17.19. Consent Not to be Unreasonably Withheld	76
Section 17.20. Prudent Operations	76
Section 17.21. Independent Contractor.....	76
Section 17.22. Entire Agreement.....	76
Section 17.23. Condemnation.....	76
Section 17.24. Incorporation of Exhibits.....	77
Section 17.25. Preexisting Agreements	77
Section 17.26. Electronic Funds Transfers.....	77
Section 17.27. Designation of Authorized Representative	77

Exhibits

Signature Pages

**ALASKA INTERNATIONAL AIRPORTS SYSTEM
OPERATING AGREEMENT
AND
PASSENGER TERMINAL LEASE ADA-**

This Operating Agreement and Passenger Terminal Lease is entered into by and between the State of Alaska, ("State"), acting by and through its Department of Transportation and Public Facilities ("DOT&PF") and *** (FULL CORPORATE) *** (*** (Name of Airline) ***), a corporation organized and existing under the laws of _____ (together, the "Parties").

WHEREAS, Ted Stevens Anchorage International Airport ("ANC") and Fairbanks International Airport ("FAI"), are owned by the State and operated by and through DOT&PF as the principal components of the Alaska International Airports System ("Airport System");

WHEREAS, *** (Name of Airline) *** is engaged in the business of Commercial Air Transportation and desires to use facilities of the Airport System in connection with that business, and has paid all application fees and any cost of public notice associated with this Agreement and has executed and returned this agreement form to DOT&PF by July 31, 2001;

WHEREAS DOT&PF and various airlines have been party to airline operating agreements that were by their terms set to expire as of 12:01 a.m., July 1, 2000 (collectively, the "Former Agreement"); and

WHEREAS, both Parties desire to enter into this Agreement to grant *** (Name of Airline) *** certain rights and privileges of operating at the Airport System, including where appropriate, the leasing of space in a passenger terminal, and DOT&PF is willing to grant such rights and privileges under the terms and conditions contained in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other valuable consideration, the Parties covenant and agree as follows:

ARTICLE 1

Definitions

Section 1.01. Definitions

The words and phrases recited below have the following meanings when used in this Agreement:

1. “Adjacent Aircraft Parking Position” means an Aircraft Parking Position located adjacent to a DOT&PF-operated passenger terminal building and not separated from the building by a taxiway or aircraft maneuvering area.
2. “Affiliated Airline” means an airline commercially allied with *** (Name of Airline) *** by means of a code-sharing arrangement or other joint marketing agreement that has been duly sanctioned by the United States Department of Transportation or by the Federal Aviation Administration (“FAA”).
3. “Agreement” means this Alaska International Airports System Operating Agreement and Passenger Terminal Lease as amended or supplemented from time to time in accordance with its terms, and includes all exhibits referenced or attached. “Agreement” includes, as applicable to Signatory Airlines other than *** (Name of Airline) ***, each other Alaska International Airports System Operating Agreement in this form, other than identification of specific leased premises, between the State, acting through its DOT&PF, and a Signatory Airline.
4. “Aircraft Parking Position” means a location shown on attached Exhibits “I” and “J”, including a hardstand, designated for parking an aircraft, whether used for the loading, unloading, refueling or overnight or temporary storage of the aircraft.
5. “Aircraft Parking Charge Rate” means the base dollar amount calculated for each Fiscal Year under Section 9.09 of this Agreement to determine the charge imposed by the Airport System for parking an aircraft at an Aircraft Parking Position without enplaning or deplaning revenue passengers, other than pursuant to a Preferential Use Privilege in conjunction with the lease of Preferential Use Premises.
6. “Aircraft Ramp Cost Center” means that area of paved surface within and part of the Airfield Cost Center that is used for the parking and maneuvering of aircraft at the Airports, consisting of both Adjacent Aircraft Parking Positions and Remote Aircraft Parking Positions, as shown on the attached Exhibits “I” and “J”.

7. "Airfield Cost Center" includes all facilities, equipment and improvements located on the airside of the Airports and associated with the landing, taking off, taxiing, maneuvering and parking of aircraft, excluding areas within exclusive land-lease premises, but otherwise including, but not limited to, the Aircraft Ramp Cost Center, runways, taxiways, approach and clear zones, infield areas, safety areas, navigational aids, airfield lighting and electrical systems, and other facilities and appurtenances of the Airport System that are necessary for aircraft operations.
8. "Airline Majority" means Signatory Airlines not in default under this Agreement constituting any sixty-seven percent (67%) or more of all Signatory Airlines as of the date of any distribution of ballots to Signatory Airlines.
9. "Airline/Airport Affairs Committee" means a body composed of the designated representative of *** (Name of Airline) *** and the designated representative of each other Signatory Airline, appointed and authorized to act on behalf of that airline with respect to all matters required or permitted under this Agreement to be approved or undertaken by the Signatory Airlines or an Airline Majority. However, the Airline/Airport Affairs Committee shall not include any representative of a Signatory Airline during any period in which that airline is in default under that Signatory Airline's Agreement.
10. "Airport" means each of ANC and FAI, except where the context clearly indicates a specific airport. The plural "Airports" means all Airport System airports.
11. "Airport Administered Premises" means, at any time, those portions of the Terminal Cost Center not leased for the balance of the term of this Agreement to any airline or other Airport tenant, but made available for a use charge or monthly rent to airlines for any of the uses to which Exclusive Use Premises, Preferential Use Premises or Common Use Premises may be put under this Agreement.
12. "Airport Director" means, for each Airport, the person to whom DOT&PF delegates primary authority to act on its behalf at that Airport, as well as any designee acting on behalf of that person.
13. "Airport Directives" means the Airport bulletins, notices and instructions issued by the Airport Director to facilitate day-to-day operation of the Airport and to implement rules and regulations promulgated by state and federal agencies.
14. "Airport System" means the Alaska International Airports System, including both ANC and FAI, and all current facilities and future additions,

improvements or enlargements of the Alaska International Airports System, all of the Revenues derived by the State from which are pledged to the payment of Bonds and designated by the State to be paid into the IARF.

15. "ANC" means Ted Stevens Anchorage International Airport, including its current facilities, all land and water within its boundaries, including Lake Hood Airport Complex, and all rights and easements held by DOT&PF associated with it (all as shown on attached Exhibit "A") and any future additions, improvements or enlargements of Ted Stevens Anchorage International Airport, and includes all facilities owned by DOT&PF functionally related to, or required by or for, operations at the Airport, whether or not located within or outside its boundaries.
16. "Anchorage CPI" means the Consumer Price Index – All Urban Consumers (CPI-U) established for the Municipality of Anchorage by the United States Department of Labor, or the most closely equivalent successor index.
17. "Annual Budget" means the capital and operating budgets for the Airport System, and refers to the budgets adopted by the Legislature and approved by the Governor of the State of Alaska, unless otherwise indicated.
18. "Annual Debt Service" means the total dollar amount of required deposits in a Fiscal Year to all interest, principal and sinking fund accounts established by the Bond Resolution for any outstanding Bonds and to replenish the Bond Reserve Fund and the Repair and Replacement Reserve Account as those terms are defined in the Bond Resolution.
19. "Bond" means all bonds, notes or other debt obligations issued under Alaska Statutes 37.15.410 - 37.15.550, as amended or superseded.
20. "Bond Resolution" means Resolution 99-01 adopted by the State Bond Committee of the State of Alaska, and any supplemental, additional and superseding resolutions providing for or relating to the issuance of Bonds.
21. "Capital Improvement Program" means that schedule of Capital Projects described in attached Exhibit "C" to this Agreement.
22. "Capital Project" means any physical asset or program that costs \$250,000 or more, including design and planning costs, has an expected useful life greater than three years, and is purchased or constructed to improve, protect, maintain, or develop the Airport System.
23. "Certificated Maximum Gross Takeoff Weight" means the maximum Takeoff weight at which each aircraft is authorized by the FAA to operate.

24. "Certified Activity Report" means a statement of the information required to be submitted monthly to DOT&PF by *** (Name of Airline) *** under Section 11.01.C of this Agreement, and certified on behalf of *** (Name of Airline) *** to be complete and accurate.
25. "Commercial Air Transportation" means the carriage for compensation of passengers, property, freight, or mail by one or more aircraft of FAA Design Group II or larger or having a Certificated Maximum Gross Takeoff Weight of 12,500 pounds or more, making not less than one Landing at any Airport System Airport each week of each year and, for passenger operations, operating according to a published schedule that includes dates or times, or both, that is openly advertised or otherwise publicly available in advance via printed or electronic media.
26. "Common Use Premises" means those portions of the Terminal Cost Center leased non-exclusively and non-preferentially to *** (Name of Airline) *** for joint use along with other airlines and Airport tenants.
27. "Debt Service Coverage" means the dollar amount that the Airport System is obligated under the Bond Resolution to collect for a Fiscal Year in Revenues net of M&O Expenses, in excess of required deposits for that Fiscal Year to all interest, principal and sinking fund accounts established under the Bond Resolution.
28. "Enplaned Passengers" means all revenue and non-revenue passengers embarking at the Airports to (i) originate air travel, (ii) transfer between aircraft of the same airline, or (iii) transfer between aircraft of different airlines. "Enplaned Passengers" does not include through-passengers traveling on aircraft that stop at an Airport, but who do not change planes or leave the Airport before resuming their journey on the same aircraft.
29. "Excess Revenues" means all the Debt Service Coverage collected for a Fiscal Year and not needed to pay costs or satisfy obligations of the Airport System for that Fiscal Year.
30. "Exclusive Use Premises" means those areas and facilities in the Terminal Cost Center leased to *** (Name of Airline) *** for its sole use and occupancy. Exclusive Use Premises are authorized to be used for certain administrative and supervisory offices, lost and unclaimed baggage offices, airline operations and maintenance areas, ground and air crew accommodation and VIP lounges.
31. "FAA" means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, and any superior or successor agency

with primary jurisdiction over commercial air transportation, and oversight of airports that serve commercial air transportation, in the United States.

32. "FAI" means Fairbanks International Airport, including its current facilities, all land and water within its boundaries, including its seaplane base, and all rights and easements held by DOT&PF associated with it (all as shown on attached Exhibit "B") and any future additions, improvements or enlargements of Fairbanks International Airport, and includes all facilities owned by DOT&PF functionally related to, or required by or for, operations at, the Airport, whether or not located within or outside its boundaries.
33. "FIS" means Federal Inspection Services, and is used to refer to all federal agencies that process arriving airline passengers and crews for entry into the United States.
34. "Fiscal Year" means that twelve calendar month period commencing each July 1st and concluding the next June 30th, or such other twelve calendar month period selected by DOT&PF as the annual accounting period for the Airport System for general accounting purposes.
35. "Former Agreement" means each agreement between DOT&PF and any airline providing for use of Airport facilities, with or without rental of terminal space, the term of which was set to expire by its terms at 12:01 a.m., July 1, 2000.
36. "Fund Deposit Requirement" means, for any Fiscal Year and for each fund and account described in either the Bond Resolution or Article 10 of this Agreement, the greater of the amount required under the Bond Resolution or Article 10 of this Agreement to be deposited for that Fiscal Year into that fund or account. The combined total of such individual Fund Deposit Requirements is referred to in the aggregate as the "Fund Deposit Requirements."
37. "Funds" means those funds created pursuant to the Bond Resolution, together with those funds established pursuant to Article 10 of this Agreement.
38. "Hazardous Substances" means any substance that is defined under an applicable environmental law as hazardous waste, hazardous substance, hazardous material, toxic, pollutant, or contaminant, as well as any petroleum, petroleum product, or oil.
39. "IARF" means the International Airports Revenue Fund and any other fund or group of funds established now or in the future pursuant to Alaska Statute 37.15.430 and as amended or superseded.

40. "Landing" means any landing at the Airport System excluding equipment test flight landings and returns to ANC or FAI because of mechanical problems or weather.
41. "M&O Expenses" means, for any Fiscal Year, the costs incurred by DOT&PF, either directly or indirectly, to maintain and operate the Airport System and its facilities during that Fiscal Year, including, without limitation (but exclusive of expenses that the Airport System capitalizes in connection with a Capital Project):
- a. all costs and expenses incurred by DOT&PF for its employees assigned to the Airport System, or doing work for or in support of the Airport System, including direct salaries and wages (including overtime pay), payments or costs for payroll expense, such as payments to pension funds, retirement funds or unemployment compensation funds, life, health, accident and unemployment insurance premiums, deposits for self-insurance, vacation and holiday pay, and other fringe benefits;
 - b. costs of materials, supplies, machinery and equipment and similar expenses for the Airport System and not capitalized under generally accepted accounting principles;
 - c. costs of contractual services for maintenance, janitorial, landscaping, decorating, repairs, renewals and alterations and any similar functions for the Airport System and neither reimbursed by insurance, in consequence of a duly submitted insurance claim, nor capitalized under generally accepted accounting principles;
 - d. costs of water, electricity, natural gas, telephone service, multiple user telecommunications and data networking systems, flight information display and baggage information display systems, common user terminal equipment and all other utilities and services to the Airport System, whether furnished by DOT&PF or furnished by independent contractors and purchased by DOT&PF;
 - e. costs of rentals for real property, rental equipment and other personal property relating to the Airport System;
 - f. costs of premiums or assessments for insurance, including property damage, public liability, burglary, employee bonds, workers' compensation, disability, automobile and all other insurance covering any part of the Airport System and its operations;

- g. the amount of any judgment or settlement arising out of DOT&PF's ownership, maintenance or operation of the Airport System payable by DOT&PF during that Fiscal Year, including, without limitation, the amount of any judgment or settlement resulting from claims, actions, proceedings or suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, noise, property damage, personal injury or similar claims, actions, proceedings or suits based upon environmental or health and safety impacts, including, without limitation, those resulting from the use of the Airports for the landing and taking off of aircraft;
 - h. costs incurred, without recovery, to perform any obligation of any defaulting tenant or permittee, including costs to satisfy, remove or discharge any contractor's, mechanic's or materialman's lien, together with all costs incurred in collecting and attempting to collect any sums due DOT&PF in connection with the ownership and operation of the Airport System;
 - i. costs of advertising by DOT&PF at or on behalf of the Airport System;
 - j. costs to compensate persons or firms appointed or engaged, from time to time, by DOT&PF to render advice and perform architectural, engineering, construction management, financial, legal, accounting, testing, consulting or other professional services in connection with the operation, expansion, alteration, reconstruction, betterment or other improvement of the Airport System or any Airport structures, facilities or systems;
 - k. costs of providing services to the Airport System by DOT&PF, including \$1,000,000 per Fiscal Year beginning in Fiscal Year 2002 to cover a portion of the costs of operating, but not the capital costs of, the state-owned airports at Sitka and Cold Bay, Alaska, the services of which are beneficial to the Airport System as a part of the State's air transportation system;
 - l. any other cost incurred by or allocated to the Airport System to comply with any valid rule, regulation, policy or order of any federal, state or local government, agency or court;
 - m. all other direct and indirect expenses, whether similar or dissimilar, which arise out of DOT&PF's ownership, maintenance or operation of the Airport System, including any tax payable by DOT&PF which may be lawfully imposed upon the Airport System by an entity other than DOT&PF.
42. "Non-Airline Revenues" means, for any Fiscal Year, all Revenues except Landing fees, terminal fees, fueling fees and aircraft parking fees.

43. "Non-Passenger Flight" means an aircraft operation, consisting of an arrival and a departure, during neither of which the aircraft is transporting revenue passengers.
44. "Non-Signatory Airline" means any commercial air carrier that uses any Airport System facilities, but is not a Signatory Airline.
45. "Non-Signatory Revenues" means, for any Fiscal Year, all Revenues derived from Non-Signatory Airlines.
46. "Other Buildings and Grounds Area Cost Center" includes all other areas, facilities, installations, and improvements of the Airport System not included in the Airfield Cost Center, Aircraft Ramp Cost Center or the Terminal Cost Center.
47. "PFC" means each Passenger Facility Charge and any other charge per passenger authorized under 49 U.S.C. § 40117, or any amendment or successor law, and approved by the FAA for collection with respect to an Airport.
48. "Passenger Flight" means an aircraft operation, consisting of an arrival and a departure, during either of which the aircraft is transporting one or more revenue passengers, whether or not the aircraft is also being used to transport cargo.
49. "Preferential Use Premises" means those areas and facilities in the Terminal Cost Center leased to *** (Name of Airline) *** for its use and occupancy on a basis that gives it priority of use over all other users, subject to the provisions of this Agreement. Preferential Use Premises are authorized to be used for such functions as accommodating passengers (such as boarding gate holdrooms), ticketing and ticketing offices, storage, baggage handling, sorting, makeup and redelivery.
50. "Preferential Use Privilege" means a right to priority of use over all other users, subject to the provisions of this Agreement.
51. "Premises" means all areas and facilities within the Terminal Cost Center leased to *** (Name of Airline) *** under this Agreement, as shown in Exhibits "E", "F", "K" and "L". The area of each portion of the Premises is agreed to be that stated in the respective exhibit to this Agreement. Any adjustment to that area due to correction of any inaccuracy of measurement shall be applied prospectively only from the date of correction.

- 52. "Rate Covenant" means Section 4.10 of the Bond Resolution and any similar provision of any supplemental or additional resolution providing for the issuance of Bonds.
- 53. "Remote Aircraft Parking Position" means an Aircraft Parking Position other than an Adjacent Aircraft Parking Position.
- 54. "Rentable Premises" means, at any time, all areas of the Terminal Cost Center that are leased and all Airport Administered Premises, except for areas devoted to Airport concessions or leased by any entity entitled under State or federal law to occupancy without charge.
- 55. "Requesting Airline" means a commercial air carrier that requests use of State-owned terminal facilities at an Airport for new or expanded service.
- 56. "Revenues" means all revenues, fees, charges and rentals derived by DOT&PF from the ownership, lease, use and operation of the Airports, their facilities and improvements, and any facilities and improvements used in connection with them. "Revenues" includes all income earned from the investment of funds required by the Bond Resolution, but does not include the proceeds of any State tax or license, the proceeds of any borrowing by the State, the payment to DOT&PF in respect of debt service on special facility bonds or other special obligations so long as the debt service thereon is not included in the calculation of Airport System rents and fees under this Agreement, PFCs, federal grants-in-aid, or proceeds of condemnation awards or insurance other than business interruption insurance.
- 57. "Signatory Airline" means, at any time, *** (Name of Airline) *** and each other air carrier that is engaged in Commercial Air Transportation and that has entered into an Agreement with DOT&PF, which Agreement is then in effect.
- 58. "Terminal Cost Center" includes the State-owned terminal complexes at ANC and FAI, including the passenger terminal buildings with all of their State-owned appurtenances, fixtures and equipment within the drip-line of the building, public parking, employee parking, curbside areas, related landscaping, and access or circulation roads and rights-of-way now or hereafter located thereon.
- 59. "Terminal Redevelopment Project" means all of that group of capital improvement projects at ANC undertaken by DOT&PF from approximately 1999 through 2004 in conjunction with the demolition and replacement of the former Concourse C and renovation of B Concourse, including any landside and airside construction projects any portion of the funds for which were generated by the issuance of Bonds.

60. "Usable Premises" means, at any time, the number of square feet in all of the Airport System terminal buildings excluding those areas and facilities that are used by or provided for mechanical, electrical and plumbing equipment.
61. "Utilization Rate" means that level of average use of one or more Adjacent Aircraft Parking Positions that a Signatory Airline must have maintained to be entitled to continue to lease the terminal facilities associated with the Aircraft Parking Position(s) as preferential use premises after Utilization Review under Article 4 of this Agreement. The applicable Utilization Rate is stated in terms of a minimum average number of Enplaned Passengers enplaned over a twelve (12)-month period at each Adjacent Aircraft Parking Position grouped by, for example, maximum type, size, or seating capacity of aircraft permitted as described for each Airport in the attached Exhibit "D". The applicable Utilization Rate is to be compared to enplanements attributed to each Signatory Airline at Adjacent Aircraft Parking Position(s) of the applicable group at an Airport, averaged across the total number of such Adjacent Aircraft Parking Position(s) in which the Signatory Airline holds a Preferential Use Privilege at that Airport.

ARTICLE 2

Term

Section 2.01. Effective Date Agreement

A. If as of June 30, 2001, *** (Name of Airline) *** is or was a holdover signatory to a Former Agreement, then subject to execution of this Agreement by both Parties, this Agreement shall be effective on the date that DOT&PF and sixty-seven percent (67%) of holdover signatories to a Former Agreement have executed Agreements. Alternatively, also subject to execution by both Parties, DOT&PF may declare this Agreement effective for *** (Name of Airline) *** and other Signatory Airlines at any other date after June 30, 2001, that not less than fifty percent (50%) of holdover signatories to a Former Agreement have executed an Agreement. In any case, DOT&PF will provide to all then-Signatory Airlines prompt written notice of the effective date. DOT&PF reserves, however, the right to declare this Agreement void and of no effect as to all Signatory Airlines and for all purposes if sixty-seven percent (67%) of holdover signatories to a Former Agreement have not executed an Agreement by July 31, 2001.

B. So long as an Agreement is in effect between DOT&PF and other Signatory Airlines, if *** (Name of Airline) *** was not a signatory to a Former Agreement, this Agreement shall become effective for all purposes as to *** (Name of Airline) *** on the first day of the month following its execution by both Parties.

Section 2.02. Expiration of Agreement

This Agreement shall, unless earlier terminated under its provisions, expire at 12:00 midnight, Alaska time, June 30, 2006.

Section 2.03. Expiration Procedure and Holdover Tenancy

DOT&PF is not required to give *** (Name of Airline) *** notice to quit possession of the Premises at the expiration of this Agreement. Upon expiration of this Agreement, *** (Name of Airline) ***'s right to possession shall cease without further notice, and DOT&PF shall have the right to take possession of the Premises. If after the expiration of this Agreement, *** (Name of Airline) *** holds over with the written consent of DOT&PF, but without a written renewal, the holding over will not operate as a renewal of this Agreement but will create only a month-to-month extension, regardless of any rent or fee accepted by DOT&PF. In that case, the obligations of DOT&PF and *** (Name of Airline) *** to perform under this Agreement shall continue month to month until the holdover terminates, provided, however, that DOT&PF shall cease to be bound by the provisions relating to the calculation of rates, fees and charges, which DOT&PF may then alter in any reasonable manner not contrary to the Bond Resolution or any controlling law. Either party may terminate the holdover at any time by giving the other party at least sixty (60) days advance written notice.

ARTICLE 3

Use of the Airport System

Section 3.01. Use, Generally

*** (Name of Airline) *** shall enjoy the use of the Airport System, in common with others so authorized, for the purpose of conducting its Commercial Air Transportation business, and subject to the terms and conditions of this Agreement, the requirements of all applicable laws, codes, and regulations, and the requirements of all FAA-required rules, policies, procedures and all Airport Directives promulgated by DOT&PF. DOT&PF agrees not to discriminate unjustly against *** (Name of Airline) *** in the enforcement of DOT&PF's rules, regulations, policies and procedures. In connection with *** (Name of Airline) ***'s use of the Airport System as described above in this Section, *** (Name of Airline) *** may perform functions and conduct operations at the Airport System reasonably necessary to its Commercial Air Transportation business. In accordance with the foregoing, *** (Name of Airline) ***'s right of use shall include, but not be limited to, the following specific rights:

1. The landing and taking off of its aircraft from Airport System runways;
2. The ground movement of its aircraft on Airport System taxiways and taxilanes;

3. The parking, loading, unloading, servicing and fueling of its aircraft in areas designated by DOT&PF for that use;
4. The right to install, maintain and operate such aviation radio, communications, meteorological and aerial navigation equipment and facilities as may be necessary or convenient in *** (Name of Airline) ***'s opinion for its operation, subject to the prior written consent of DOT&PF, which consent shall not unreasonably be withheld; and
5. The right to purchase fuels, lubricants and any other goods and services at, or to be delivered or performed at, the Airport, and that *** (Name of Airline) *** needs to conduct Commercial Air Transportation, from any person, firm or corporation providing the same at the Airports with any required permission from DOT&PF; however,
6. The right to perform all functions directly and reasonably related to *** (Name of Airline) ***'s Commercial Air Transportation shall not include the performance of Ground-Handling services (other than on an occasional one-flight basis), except as provided under Section 13.03 of this Agreement, or other services other than Commercial Air Transportation for other airlines or other Airport users absent prior written approval by DOT&PF, and shall not be construed to include the conduct of any other business on the Airport whether or not related to, or affiliated with, Commercial Air Transportation.

Section 3.02. Restrictions

- A. *** (Name of Airline) *** shall not use or permit the use of any portion of its Premises for any unlawful purpose. Neither shall it sell nor offer for sale any product or service other than services directly related to its Commercial Air Transportation.
- B. *** (Name of Airline) *** shall not do or permit to be done anything that may interfere with the safe and efficient operation of any of the following systems installed on or serving any portion of the Airport: drainage, water, sewer, fire protection, communications, electrical, plumbing, heating, ventilation, air conditioning and natural gas.

Section 3.03. Reservations

- A. The Airport Director may, from time to time with advance notice and coordination with the Signatory Airlines when circumstances permit, close roadways, taxilanes, taxiways, runways, apron areas, or any other portion of the Airport, either temporarily or permanently, when circumstances warrant; provided, however, that the Airport Director will make reasonable efforts to provide alternate means of ingress, egress and movement on the Airport and within the terminals.

B. As part of its Terminal Redevelopment Project, DOT&PF reserves the right to install multiple user telecommunications and data networking systems (including, among other things, flight information display systems and baggage information display systems) and to act as the exclusive provider of such equipment and systems. DOT&PF will develop and keep up-to-date any such system with notice to, and coordination with, *** (Name of Airline) *** and use DOT&PF's best efforts to accommodate *** (Name of Airline) ***'s particular needs to the extent practicable. *** (Name of Airline) *** agrees to connect to and use any such systems or equipment whether installed by DOT&PF within or outside *** (Name of Airline) ***'s Premises, and to furnish DOT&PF such data and other information required for the proper operation of such systems and equipment.

ARTICLE 4

Lease of Premises

Section 4.01. DOT&PF Terminal Management Policy

DOT&PF's policy and obligation is to manage Airport System terminals so as to serve the traveling public, maximize efficient utilization of space and facilities, and facilitate the transportation of passengers and goods, while optimizing competitive opportunities for airlines and retaining the ability to accommodate both new entrant airlines and periodic service expansions and contractions by incumbent airlines. Accordingly, DOT&PF must retain sufficient flexibility to close, renovate, demolish or reconstruct terminal space and facilities from time to time, and, in accordance with the provisions of this Agreement, to relocate airlines and concessionaires and tenants temporarily or for the balance of their tenancies in order to accomplish these objectives.

Section 4.02. Premises and Preferential Use Privileges

A. DOT&PF hereby leases to *** (Name of Airline) ***, and *** (Name of Airline) *** leases from DOT&PF, "as is," without warranty and subject to build-out or refurbishment only at *** (Name of Airline) ***'s sole expense under an Airport-approved building permit and under the terms of this Agreement, the following Premises:

1. Exclusive Use Premises shown on attached Exhibits "K" and "L" (with permitted uses of such space described on attached Exhibits "E" and "F");
2. Preferential Use Premises shown on attached Exhibits "K" and "L" (with permitted uses of such space described on attached Exhibits "E" and "F").

B. Common Use Premises, shown on attached Exhibits "K" and "L" (with permitted uses of such space described on attached Exhibits "E" and "F") are hereby made available for *** (Name of Airline) ***'s joint use along with other airlines and Airport tenants.

C. Airport Administered Premises will be made available by DOT&PF pursuant to this Agreement for common, shared, temporary or preferential use by *** (Name of Airline) *** and any other airline on fair and reasonable terms and without unjust discrimination.

D. So long as *** (Name of Airline) *** leases any Preferential Use Premises associated with a designated Adjacent Aircraft Parking Position, *** (Name of Airline) *** shall have a Preferential Use Privilege in that Adjacent Aircraft Parking Position. Designated Adjacent Aircraft Parking Positions associated with particular Preferential Use Premises are shown on attached Exhibits "I" and "J" (with permitted uses of such Adjacent Aircraft Parking Positions described on attached Exhibits "E" and "F").

E. Except by written consent of DOT&PF, *** (Name of Airline) *** shall not use any terminal space that is not a part of its Premises under this Agreement. However, if at any time *** (Name of Airline) *** has, without either written consent of DOT&PF or a DOT&PF-approved sublease, used any terminal space not formally leased to *** (Name of Airline) ***, or an Aircraft Parking Position designated as associated with terminal space not formally leased to *** (Name of Airline) ***, then *** (Name of Airline) *** shall pay DOT&PF for such unauthorized use. *** (Name of Airline) ***'s payment for such unauthorized use shall be the greater of the rent or use charge that would be applicable to such terminal space if that space were leased by *** (Name of Airline) *** under this Agreement, or any charge that would be applicable to *** (Name of Airline) ***'s use of that space as Airport Administered Premises. Use of Common Use Premises by *** (Name of Airline) *** for functions designated for Exclusive Use Premises or Preferential Use Premises shall also be deemed an unauthorized use under this provision, for which use *** (Name of Airline) *** shall pay to DOT&PF any difference between *** (Name of Airline) ***'s Common Use Premises rate for use of such space and the greatest rate chargeable for the type of premises for which *** (Name of Airline) ***'s actual use is designated under this Agreement. *** (Name of Airline) *** agrees to report to DOT&PF any unauthorized use by *** (Name of Airline) *** under this Section within ten (10) days of the use, and to pay to DOT&PF all applicable charges for the unauthorized use upon receipt of an invoice from DOT&PF. So long as *** (Name of Airline) *** makes any unauthorized use of space as described in this Section, *** (Name of Airline) *** shall pay DOT&PF for the space, but no acceptance of payment by DOT&PF shall render the use authorized or entitle *** (Name of Airline) *** to retain possession of the space. Such payment will be credited toward, but will not substitute for, or work a release of, any other damages to which DOT&PF may be entitled. Unless and until DOT&PF approves an application from, and leases such space to, *** (Name of Airline) ***, DOT&PF may require the surrender of the space at any time.

Section 4.03. Premises Relocation Associated with Terminal Redevelopment Project

A. *** (Name of Airline) *** understands that DOT&PF's implementation of the Terminal Redevelopment Project may require the demolition and reconstruction of all or a portion of *** (Name of Airline) ***'s Premises and agrees that at the direction of DOT&PF, it will surrender its Premises and relocate its operations to interim Premises pending completion of construction of its reconstructed Premises. DOT&PF agrees to consult with *** (Name of

Airline)*** throughout the construction process and to furnish *** (Name of Airline)*** with notice at least sixty (60) days in advance of any total or partial relocation of *** (Name of Airline)***'s Premises. Voluntary change of Premises by request of *** (Name of Airline)*** and consent of DOT&PF, in conjunction with the Terminal Redevelopment Project or otherwise, shall be at the expense of *** (Name of Airline)***.

B. In respect of the substantial capital investment that may be required of *** (Name of Airline)*** to construct or install Premises improvements in conjunction with the Terminal Redevelopment Project, *** (Name of Airline)*** may, under certain circumstances, be reimbursed for a portion of that capital investment as provided in this paragraph. To claim such reimbursement, *** (Name of Airline)*** must, within ninety (90) days after completing such improvements, provide to DOT&PF a documented statement of *** (Name of Airline)***'s total capitalized investment in Premises improvements constructed or installed in conjunction with the Terminal Redevelopment Project, together with a statement of the most rapid rate at which *** (Name of Airline)*** is allowed to depreciate that investment under the federal income tax code. If and to the extent any of those Premises improvements ceases to be available for *** (Name of Airline)***'s beneficial use due to expiration or termination of this Agreement, other than by termination under Section 14.04 of this Agreement, and such beneficial use is not continued under a successor agreement, *** (Name of Airline)*** will be entitled to reimbursement within one year of vacating the applicable Premises for *** (Name of Airline)***'s undepreciated book value calculated according to the most rapid depreciation rate allowed for that property under federal tax law. At the option of DOT&PF, *** (Name of Airline)*** may be reimbursed either by DOT&PF directly, or DOT&PF may require a subsequent lessee of the applicable Premises to reimburse *** (Name of Airline)***. Any reimbursement by DOT&PF under this subsection shall be subject to legislative appropriation, which DOT&PF agrees diligently to seek in good faith.

Section 4.04. Utilization Requirement for Lease of Preferential Use Premises

A. Signatory Airlines that are or were holdover signatories to the Former Agreement as of June 30, 2001, and that have executed an Agreement on or before July 31, 2001, have generally retained their former leaseholds at the commencement of the term of this Agreement, although the classification of premises has been altered to include preferential use premises. If *** (Name of Airline)*** is or was a holdover signatory to the Former Agreement, *** (Name of Airline)*** agrees that *** (Name of Airline)***'s Premises as shown on exhibits to this Agreement reflect that alteration in classification and any other agreed adjustment in *** (Name of Airline)***'s Premises. In addition, certain airlines have become Signatory Airlines with Premises and certain other airlines that were signatory to the Former Agreement are not Signatory Airlines to this Agreement. During the term of this Agreement, Signatory Airlines, including *** (Name of Airline)*** if *** (Name of Airline)*** leases preferential use premises, will be subject to the utilization rate review procedures set forth in this Section to determine entitlement to retain leasehold interest in their preferential use premises.

B. To be entitled to retain the lease of, one or more Preferential Use Premises for which DOT&PF has designated associated Adjacent Aircraft Parking Position(s) within a seat grouping described in attached Exhibit "D," *** (Name of Airline) ***, must have achieved and maintained for the most recent twelve (12) months for which data are available prior to utilization review, and state its intention to continue to maintain, average utilization of those Adjacent Aircraft Parking Positions equal to at least the applicable Utilization Rate. For any period during which Force Majeure, as described in Section 17.07, substantially impairs *** (Name of Airline) ***'s ability to achieve or maintain the Utilization Rate at an Aircraft Parking Position, the Utilization Rate for that Aircraft Parking Position will be reduced in proportion to the duration of the period of Force Majeure. In determining *** (Name of Airline) ***'s utilization of an Adjacent Aircraft Parking Position, DOT&PF shall include Enplaned Passengers of both *** (Name of Airline) *** and all other aircraft that use *** (Name of Airline) ***'s Adjacent Aircraft Parking Position. However, DOT&PF will exclude from the determination of *** (Name of Airline) ***'s utilization the enplanements of any such other airline that requests its own preferential use premises based on those enplanements or that DOT&PF otherwise confirms does not intend to continue to use *** (Name of Airline) ***'s Adjacent Aircraft Parking Position.

C. No earlier than twenty-four (24) months following the commencement of the term of this Agreement and thereafter at intervals no shorter than twenty-four (24) months after the most recent utilization review, DOT&PF may undertake a utilization review to ascertain performance of Signatory Airlines against the Utilization Rates. A Signatory Airline's failure to achieve an applicable Utilization Rate neither requires DOT&PF to reduce that airline's preferential use premises nor precludes DOT&PF from leasing to that Signatory Airline additional preferential use premises. If DOT&PF has no pending demand for use of a preferential use premises and does not expect such demand before the next rate review, DOT&PF does not intend unilaterally to reduce the preferential use premises of any Signatory Airline, including *** (Name of Airline) ***, despite its failure to maintain the Utilization Rate. However, DOT&PF may reduce the preferential use premises of any Signatory Airline, including *** (Name of Airline) ***, that has failed to maintain an applicable Utilization Rate. If DOT&PF expects to experience demand for use of preferential use premises before the next rate review, DOT&PF may reduce the preferential use premises of a Signatory Airline, including *** (Name of Airline) ***, that fails to maintain the Utilization Rate for the premises, but allow that airline to remain in occupancy under an Airport Administered Premises lease until any such demand arises. DOT&PF must, within three (3) months of the date of any utilization review under this Section, send notice of any decision to reduce *** (Name of Airline) ***'s Preferential Use Premises due to *** (Name of Airline) ***'s failure to maintain the Utilization Rate. In the event DOT&PF decides not to reduce *** (Name of Airline) ***'s Preferential Use Premises despite *** (Name of Airline) ***'s failure to maintain the Utilization Rate, then *** (Name of Airline) *** shall continue to lease all of its Preferential Use Premises for the balance of the term of this Agreement, subject only to adjustment based upon a subsequent utilization review under this paragraph.

D. In the event that DOT&PF decides to reduce *** (Name of Airline) ***'s Preferential Use Premises, if any, due to *** (Name of Airline) ***'s failure to maintain the Utilization Rate, DOT&PF shall provide not less than thirty (30) days written notice to *** (Name of Airline) *** stating the amount of reduction in *** (Name of Airline) ***'s Preferential Use Premises. Such reduction must be not more than reasonably proportional to the percentage of *** (Name of Airline) ***'s Adjacent Aircraft Parking Positions with respect to which *** (Name of Airline) *** failed to maintain the Utilization Rate. DOT&PF will accomplish any reduction in the Preferential Use Premises under this paragraph by delivering to *** (Name of Airline) *** a self-effective supplement, including updated Exhibits "E", "F", "I", "J", "K" and "L" (where applicable) identifying *** (Name of Airline) ***'s deleted and remaining Preferential Use Premises. Such self-effective supplement will relieve *** (Name of Airline) *** of all prospective rents and other prospective charges or liabilities with respect to the Preferential Use Premises withdrawn from its lease except as may be provided under any new Airport Administered Premises lease of the same space to *** (Name of Airline) ***. Preferential Use Premises that DOT&PF withdraws from *** (Name of Airline) *** shall be available to DOT&PF for either use as Airport Administered Premises or preferential leasing to another air carrier. For purposes of *** (Name of Airline) ***'s obligation to vacate Premises and surrender them to DOT&PF, withdrawal of Preferential Use Premises under this Section will be deemed partial termination of a portion of the Premises under Section 14.05 of this Agreement. However, *** (Name of Airline) *** shall have thirty (30) days after the date of a notice of Premises reduction under this Section to remove all removable furniture, furnishings, fixtures, and equipment under Section 14.06, or to make provision acceptable to DOT&PF for their removal, sale to, or acceptance by the DOT&PF. However, DOT&PF may require that pending removal, passenger loading bridges, baggage-handling equipment, furniture and other appurtenances reasonably necessary for the effective use of the withdrawn Preferential Use Premises be made available for use by any airline that DOT&PF permits to use those Premises. In such case, DOT&PF shall fashion an operating arrangement for use of *** (Name of Airline) ***'s property that is reasonably fair to the airline parties and that allows *** (Name of Airline) *** to recover its unamortized costs for property and equipment owned by *** (Name of Airline) *** that are affixed to or associated with the withdrawn Preferential Use Premises. *** (Name of Airline) ***'s privileges and obligations with respect to all Preferential Use Premises that *** (Name of Airline) *** retains shall remain in full force and effect.

E. Utilization that would otherwise be sufficient to entitle *** (Name of Airline) *** to retain a greater number of Adjacent Aircraft Parking Positions than are actually associated with the Preferential Use Premises that *** (Name of Airline) *** leases at the time of utilization review, will neither guarantee to nor entitle *** (Name of Airline) *** to lease additional preferential use premises nor to gain a Preferential Use Privilege as to an additional Adjacent Aircraft Parking Position. However, in the event that a utilization review reveals that *** (Name of Airline) ***'s Enplaned Passenger numbers during the relevant twelve (12)-month data period were high enough to have otherwise entitled *** (Name of Airline) *** to retain a Preferential Use Privilege at more Adjacent Aircraft Parking Positions than are associated with the Preferential Use Premises *** (Name of Airline) *** is then

actually leasing, and if an Adjacent Aircraft Parking Position and related terminal facilities are available from the pool of Airport Administered Premises and are physically located adjacent to, or in reasonable proximity to *** (Name of Airline) ***'s other Premises, then DOT&PF may, at *** (Name of Airline) ***'s request, withdraw such terminal facilities from the Airport Administered Premises category and lease them as Preferential Use Premises to *** (Name of Airline) ***. In so doing, DOT&PF shall seek to avoid causing unreasonable operational or competitive disadvantage to another airline and to avoid causing unusual expense to the Airport System or to other parties, provided that DOT&PF shall be presumed to have fulfilled this obligation absent clear and convincing evidence to the contrary. To increase *** (Name of Airline) ***'s Preferential Use Premises under this paragraph, *** (Name of Airline) *** and DOT&PF will execute a Supplement to this Agreement updating Exhibits "E", "F", "I", "J", "K" and "L" (where applicable) describing *** (Name of Airline) ***'s Premises.

F. Any change in *** (Name of Airline) ***'s Preferential Use Premises as a result of a change in *** (Name of Airline) ***'s rate of utilization is not considered a modification or relocation to which Section 11.05 applies. *** (Name of Airline) *** shall be responsible for all costs incurred by it or the Airport System associated with *** (Name of Airline) ***'s change in or move from or into Preferential Use Premises under paragraphs D or E, above. *** (Name of Airline) ***'s responsibility with respect to space withdrawn from *** (Name of Airline) *** under this provision is that provided under Section 14.05 and 14.06 of this Agreement.

G. DOT&PF retains the right to alter or adjust by self-effective supplement either or both the calculation and level of the Utilization Rate, and the Adjacent Aircraft Parking Positions to which they apply, at each Airport by self-effective supplement after consultation with the Signatory Airlines and upon sixty (60) days advance written notice. In deciding whether to make such alteration or adjustment, DOT&PF shall consider all relevant factors including, but not limited to, overall levels of passenger and aircraft activity actually experienced and anticipated, changes in market share among Signatory and Non-Signatory Airlines, terminal expansion plans, expanded or contracted airline service, and levels of competition.

Section 4.05. Quiet Enjoyment

DOT&PF covenants that, subject to the provisions of this Agreement, *** (Name of Airline) *** shall peaceably have and enjoy the Premises and the rights, privileges, appurtenances and facilities granted in this Agreement.

ARTICLE 5

Subordinate Use of Premises

Section 5.01. DOT&PF Open Access Policy

DOT&PF's policy is to ensure open access to the Airport System by maintaining balanced utilization of Airport facilities. Therefore, DOT&PF reserves the right to require shared use of Exclusive and Preferential Use Premises as specified in this Article 5. It is contemplated that in most cases, shared use will be of limited duration, pending construction of additional terminal facilities or adjustments to the preferential use premises of Signatory Airlines as a result of utilization review and adjustment under Section 4.04 or expiration of this Agreement.

Section 5.02. Procedure for Request for Accommodation

A. If any Signatory or incumbent Non-Signatory Airline seeking to expand, or a new entrant airline seeking to commence, service to an Airport is in need of space or facilities at that Airport, and Airport Administered Premises cannot meet that need, DOT&PF may direct the airline to request use of a portion of Signatory Airline premises. Except to the extent that the Requesting Airline has demonstrated to the reasonable satisfaction of DOT&PF that it should not, for competitive reasons, be required to make such requests of one or more Signatory Airlines either individually or in committee, DOT&PF may direct the Requesting Airline to make such request to Signatory Airlines with preferential or exclusive use premises at such Airport either individually or, at the option of the Requesting Airline, to such Signatory Airlines in committee, until either (i) the Requesting Airline's need is satisfied, or (ii) the Requesting Airline has made the request to all such Signatory Airlines. Each Signatory Airline with preferential or exclusive use premises shall make all reasonable efforts to accommodate any such request in a timely manner within any preferential or exclusive use premises leased to it .

B. In the event DOT&PF receives a written request from an airline for space or facilities that could be of a type leased to Signatory Airlines on a preferential or exclusive use basis, and the Requesting Airline demonstrates to the reasonable satisfaction of DOT&PF either (i) that it has contacted all Signatory Airlines that have preferential or exclusive use premises at the Airport, and has reason to believe that all reasonable efforts to find accommodation for its proposed operations and the space or facilities it needs will prove unavailing, or (ii) that it should not, for competitive reasons, be required to make such requests of one or more Signatory Airlines, then DOT&PF shall make its own determination. If DOT&PF finds that such Requesting Airline needs such space or facilities to accommodate passengers or aircraft and that DOT&PF cannot provide such space or facilities to such airline on a timely basis, then DOT&PF shall serve written notice to all Signatory Airlines of that determination and notice of DOT&PF's intention to make a further determination, in not less than ten (10) calendar days, as to how the Requesting Airline will be accommodated. DOT&PF may grant such Requesting Airline the right of

shared use of all or a designated portion of one or more Signatory Airlines' preferential and exclusive use premises including associated Aircraft Parking Positions. In making such determination DOT&PF shall have complete flexibility to fashion an operating arrangement that is reasonably fair to all of the affected parties. Such shared use will include, but not be limited to, the use of passenger loading bridges, baggage-handling equipment, furniture, ticket counters and other appurtenances, that are reasonably necessary for the effective use of the shared use space and facilities, whether the latter are owned or leased by a Signatory Airline or by DOT&PF.

C. In accordance with the rules and priorities set forth in Section 5.03 below, DOT&PF may grant the Requesting Airline the right of shared use of a designated portion of a Signatory Airline's preferential and exclusive use premises, as well as rights of ingress and egress, the right to use the Aircraft Parking Positions associated therewith and the right to use passenger loading bridges and other appurtenant equipment which are reasonably necessary for the effective use of such space and facilities, provided, that:

1. Such Requesting Airline provides such Signatory Airline with indemnification and proof of insurance reasonably satisfactory to such Signatory; provided, however, that such Signatory Airline may not require any indemnification more favorable to it than that which such Signatory provides to DOT&PF under this Agreement;

2. Such Requesting Airline agrees to pay the Signatory Airline the sum of the following, without markup:

- (a) An amount equal to a pro rata share of the sum of the terminal rentals and any other applicable payments, fees or taxes payable by such Signatory Airline under this Agreement with respect to such areas during such shared or temporary use period as calculated in this Agreement;

- (b) Additional amounts necessary to recover such Signatory Airline's direct costs, including any operation and maintenance expenses, of such shared or temporary use, including a reasonable allocation of any capital and equipment costs for property and equipment owned by such Signatory Airline and used by the Requesting Airline; and

- (c) An amount equal to a reasonable administrative processing fee.

3. Such Requesting Airline enters into a written agreement with the Signatory Airline for the shared use, which agreement shall not be inconsistent with the terms and conditions stated in this Agreement and shall be submitted to DOT&PF for written approval prior to its effective date, together with sufficient documentation to substantiate the amounts claimed pursuant to this Section, and such other information as DOT&PF may reasonably require.

D. *** (Name of Airline) *** agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the Requesting Airline's scheduled operations under Section 13.01 of this Agreement. If under Section 5.03, below, DOT&PF selects Premises of *** (Name of Airline) *** for the grant of shared use to a Requesting Airline under paragraph C of this Section, DOT&PF will so advise *** (Name of Airline) *** in writing. Within ten (10) days after receipt of DOT&PF's written notice, which may, but need not, identify specific Premises affected, *** (Name of Airline) *** will make available to that Requesting Airline shared use of its Preferential and Exclusive Use Premises, together with use of such of *** (Name of Airline) ***'s passenger loading bridges and other facilities as may be reasonably necessary to accommodate that airline. Until DOT&PF provides other lease space to the Requesting Airline, *** (Name of Airline) *** will conduct its operations cooperatively, with due regard for the needs of the accommodated airline. If DOT&PF and *** (Name of Airline) *** are not able to agree to a form of written agreement pursuant to the provisions of this Article, DOT&PF shall have the right to prescribe the final terms of such agreement, while making reasonable efforts to protect the interests of both parties, and such prescribed terms shall be binding on both the Requesting Airline and on *** (Name of Airline) *** except as Requesting Airline and *** (Name of Airline) *** may thereafter agree in a sublease agreement approved by the Airport Director under Section 13.01 of this Agreement.

Section 5.03. Considerations for DOT&PF-Directed Accommodation

If DOT&PF determines pursuant to Section 5.02, above, that a Requesting Airline needs terminal space and facilities, DOT&PF will take into account the priorities and considerations listed in this Section to select premises for shared use by the Requesting Airline:

A. Airport Administered Premises and Common Use Premises suited to the Requesting Airline's needs shall have first priority as the site for use by the Requesting Airline;

B. Preferential Use Premises shall be available for designation by DOT&PF for shared use when required, in the absence of or in combination with any suitable Airport Administered or Common Use Premises, in order to permit a consolidated operation by the Requesting Airline.

C. Exclusive Use Premises shall be available for designation by DOT&PF for shared use when required, in the absence of or in combination with any suitable Preferential Use, Airport Administered or Common Use Premises, in order to permit a consolidated operation by the Requesting Airline.

D. In all such instances, DOT&PF shall make a good faith effort to avoid or minimize schedule conflicts between the Requesting Airline and *** (Name of Airline) ***, if DOT&PF calls upon *** (Name of Airline) *** to share *** (Name of Airline) ***'s Preferential or Exclusive Use Premises, or any Airport Administered or Common Use Premises that

*** (Name of Airline) *** is using. When DOT&PF determines that it is necessary under this Article 5 to make any of *** (Name of Airline) ***'s Preferential or Exclusive Use Premises available to a Requesting Airline for shared use, DOT&PF shall provide fifteen (15) days' written notice to *** (Name of Airline) *** that DOT&PF is making specified Preferential or Exclusive Use Premises and any associated Aircraft Parking Position available to the Requesting Airline. Preferential Use Premises may be made available to a Requesting Airline at a time when there is a "window" of four (4) hours or longer at any Adjacent Aircraft Parking Position associated with the specified Preferential Use Premises, (two (2) hours or longer at certain ground loading Aircraft Parking Positions designated by DOT&PF) with no scheduled flight arrival or departure activity. Beginning the eleventh (11th) day after DOT&PF provides such notice, DOT&PF may allow, and *** (Name of Airline) *** must accommodate, Requesting Airline's use of *** (Name of Airline) ***'s Preferential Use Premises starting thirty (30) minutes after the scheduled time for the last scheduled activity prior to the window, until thirty (30) minutes before the scheduled time of the next scheduled activity that closes the window. Requesting Airline's use of *** (Name of Airline) ***'s Exclusive Use Premises shall be limited to reasonably necessary use incidental to the Requesting Airline's flight activity. Flight and flight-related operations by *** (Name of Airline) *** and the Requesting Airline at the designated Preferential Use Premises and designated Aircraft Parking Position shall be subject to the following conditions:

1. Upon and after the commencement of operations at such Aircraft Parking Position by the Requesting Airline, the *** (Name of Airline) ***, shall promptly vacate the designated Preferential Use Premises and remove its aircraft and ground equipment from the designated Aircraft Parking Position at the commencement of the window or, at the latest, thirty (30) minutes following the opening of the window;
2. DOT&PF will require that the Requesting Airline occupy and use the designated Preferential Use Premises, and position its aircraft or ground equipment at the designated Aircraft Parking Position, no earlier than thirty (30) minutes following the opening of the window; and
3. DOT&PF will require the Requesting Airline to vacate the designated Preferential Use Premises and remove its aircraft and ground equipment from the designated Aircraft Parking Position not later than thirty (30) minutes prior to the close of the window.

E. In making its decision regarding the designation of terminal space and Aircraft Parking Positions to make available for shared use, DOT&PF shall consider the following objectives:

1. avoiding or minimizing real or potential labor problems between the Requesting Airline and any Signatory Airline which is called upon to share Airport Administered Premises or, exclusive use, common use or preferential use premises;

2. permitting the Requesting Airline to function within a reasonably compact and contiguous area so as to be able to mount an effective and competitive operation;
3. avoiding unnecessary physical separation of the functions of any Signatory Airline which is called upon to share Airport Administered Premises or, exclusive use, common use or preferential use premises;
4. the size of aircraft, type of flight (international, interstate, commuter or other intra-state) and frequency of schedules proposed to be operated by the Requesting Airline;
5. facilitating to the extent reasonable under the circumstances the advantages of code-sharing or similar commercial arrangements between airlines.

Section 5.04. Additional Operational Requirements for Shared Use of Exclusive or Preferential Use Premises

A. Prior to the effective date of this Agreement, for each Preferential Use Premise leased by *** (Name of Airline) *** with an associated Aircraft Parking Position, *** (Name of Airline) *** shall furnish to DOT&PF a schedule of each flight arrival and departure scheduled at that associated Aircraft Parking Position. *** (Name of Airline) *** shall furnish to DOT&PF an advance copy of each schedule change. In the event that DOT&PF has made any of *** (Name of Airline) ***'s Exclusive or Preferential Use Premises available for shared use by one or more other airlines, *** (Name of Airline) *** shall give DOT&PF sixty (60) days' notice prior to any proposed schedule change that would conflict with that shared use. Upon receipt of such notice, DOT&PF shall work with *** (Name of Airline) *** and each airline scheduled for shared use in conflict with *** (Name of Airline) ***'s proposed new schedule to try to work out voluntary adjustments to one or more of the airlines' schedules so as to eliminate the conflict in use of the shared Exclusive or Preferential Use Premises. If the foregoing efforts by DOT&PF are unsuccessful, then DOT&PF shall re-determine the accommodation for the Requesting Airline under this Article.

B. DOT&PF and *** (Name of Airline) *** agree to apply cooperation and good judgment, in good faith, in dealing with one another and with the Requesting Airline, in any situation in which DOT&PF determines that shared use of Exclusive or Preferential Use Premises is required on an emergency or other unanticipated short-term basis, and *** (Name of Airline) *** and DOT&PF will work with other airlines to accommodate, if possible, other airline flight activity without unduly conflicting with *** (Name of Airline) ***'s use of its Exclusive or Preferential Use Premises.

C. In the event that DOT&PF makes any of *** (Name of Airline) ***'s Preferential Use Premises available for shared use by one or more other airlines, *** (Name of Airline) *** shall remove, or arrange to have its ground support contractor remove, sufficient ground

support equipment from the associated Aircraft Parking Position in adequate time to allow ground handlers employed by or under contract to the Requesting Airline enough room to set up required ground equipment to service the Requesting Airline's aircraft. The Requesting Airline will be obligated to ensure that any ground support equipment placed on the associated Aircraft Parking Position in conjunction with the Requesting Airline's use is removed in adequate time to allow *** (Name of Airline) ***'s ground handlers enough room to set up required ground equipment to service *** (Name of Airline) ***'s next scheduled aircraft. The Requesting Airline will be obligated to leave the shared use Preferential Use Premises in the same condition as when received from *** (Name of Airline) ***.

D. If DOT&PF schedules another airline's flight activity at *** (Name of Airline) ***'s Exclusive or Preferential Use Premises, *** (Name of Airline) *** shall be relieved of any obligation to indemnify and save harmless DOT&PF, its employees or agents with regard to any claim for damages or personal injury arising out of or in connection with the other airline's use of such Exclusive or Preferential Use Premises, except to the extent caused by the negligence of *** (Name of Airline) ***, its employees or agents.

ARTICLE 6

Capital Projects

Section 6.01. Preamble; Pre-Approved Projects

A. DOT&PF may acquire, plan, design and construct or install a Capital Project that is deemed approved by the Signatory Airlines under B of this Section or under Section 6.03 of this Agreement, and finance such Capital Project through the use of Airport funds, by means of the issuance of Bonds, any other lawfully available source, or any combination of the same. DOT&PF, further, may include, beginning at the date each first begins to accrue, the debt service on such Bonds, and the M&O Expenses of such Capital Project, in determining subsequent Landing fees, rentals or use fees, as appropriate, pursuant to the terms and conditions of this Agreement. Not less than twice each Fiscal Year, one of which to be in conjunction with the financial report described in Section 8.02 of this Agreement, DOT&PF will provide to the Signatory Airlines updated information concerning the scope, schedule and budget status of Capital Projects. It is understood and expressly agreed that DOT&PF will not separate or break down any Capital Project into distinct component parts for the sole purpose of avoiding a required vote by the Signatory Airlines.

B. The Capital Projects identified as part of the Capital Improvement Program described in attached Exhibit "C" to this Agreement shall be deemed approved by the Signatory Airlines unless specifically identified as not pre-approved. Such approval, as well as any comparable approval under a Former Agreement, shall be deemed to include approval of reasonable adjustments to the scope, timing, and cost of individual approved Capital Projects, provided that total Capital Improvement Program costs over the five-year

period may not increase by more than ten percent (10%) of the total estimated Capital Improvement Program costs as stated on attached Exhibit "C", and provided that total Capital Improvement Program costs in any Fiscal Year may not increase by more than fifteen percent (15%) of the Capital Improvement Program costs for that Fiscal Year as stated on attached Exhibit "C". Any cost increase beyond the limits stated in this paragraph shall be subject to Signatory Airline vote under Section 6.03, except that any scope change or cost increase that would be entitled to exemption as an independent Capital Project under Section 6.02 shall be exempt from further Signatory Airline vote.

C. DOT&PF will use its best efforts to obtain and to use grants-in-aid from the FAA for eligible Capital Projects as estimated in the attached Exhibit "C".

Section 6.02. Capital Projects Not Requiring Signatory Airline Vote

DOT&PF may undertake the following types of Capital Projects (in addition to those contained in the Capital Improvement Program described in attached Exhibit "C") without Signatory Airline vote, so long as notice shall have been provided, as required by Section 6.03 of this Agreement. Within the limits imposed by FAA grant assurances and law governing airport revenue diversion and use of airport funds, such Capital Projects may be located inside or outside the normal boundaries of ANC or FAI; provided that any Capital Project located outside such Airport's boundaries must be functionally related to or required for the operation of the Airport. Such Capital Projects could include, but are not limited to, navigational aids, drainage facilities, or noise and other environmental mitigation projects, and the following:

1. Capital Projects, the Airport System share of which, funded from rates and fees, is projected to be \$500,000 or less for construction or acquisition, provided, however, that the cumulative rate and fee-funded cost to DOT&PF, net of any grants, for all such Capital Projects undertaken in a single Fiscal Year shall not exceed \$3,000,000; or
2. Capital Projects to satisfy requirements imposed by the FAA, whether by regulation or by grant agreement, or which are the subject of directives, regulations or advisories issued by any government agency, including DOT&PF acting in its non-proprietary capacity, the FAA or any agency of the United States government, or any other superior authority with jurisdiction over the Airport System; or
3. Capital Projects required in order to make available additional terminal space or related facilities for the expansion of an airline, or Capital Projects required in order to make space or facilities available in a terminal for, or otherwise necessary to accommodate, a new entrant or expanding airline, provided such airline enters into a binding commitment to lease the space so made available for at least the remaining duration of this Agreement and on the same terms as provided for lease of comparable space under this Agreement, and provided, further, that existing space or facilities are not otherwise available to accommodate the airline

under Article 4 or 5 of this Agreement in a competitive, non-disruptive and otherwise satisfactory manner; or

4. Capital Projects to repair or replace property (the cost of, or revenues from, which are included in the calculation of rents, use fees or Landing fees chargeable to Signatory Airlines) damaged or destroyed by fire or other casualty, to the extent that the cost of the repair or replacement is not paid by insurance or contractual indemnity clause or exceeds the proceeds of any insurance or indemnity, when the property in question must be rebuilt or replaced in order to satisfy an obligation of DOT&PF or to maintain Airport Revenues; or

5. Capital Projects and amounts to settle claims or lawsuits, satisfy judgments or comply with judicial or administrative orders against DOT&PF arising from or relating to its design, ownership, operation, maintenance or use of the Airport System; or

6. Capital Projects that, if not undertaken on an emergency basis, would result in the closure of the Airport System or an essential portion of the Airport System (DOT&PF will notify the Signatory Airlines within five (5) business days of a Capital Project commenced pursuant to this Section 6.02.6); or

7. Capital Projects to be financed either as special purpose facilities, or by third parties, and, in all such cases, whose tenants or users shall be required to pay directly or to reimburse DOT&PF for all costs, including M&O Expenses, associated with such Capital Projects; or

8. Capital Projects to be financed by DOT&PF from sources that do not affect airline rentals, use fees or Landing fees under this Agreement, including the Airport System Development Fund; or

9. Acquisition of land reasonably necessary to preserve the integrity of the Airport System.

Section 6.03. Process for Capital Projects Requiring Signatory Airline Vote

A. In the event DOT&PF intends to undertake a Capital Project not identified as part of the pre-approved Capital Improvement Program described in attached Exhibit "C" to this Agreement (other than a Capital Project undertaken pursuant to Section 6.02.6 above), DOT&PF shall notify the Signatory Airlines in writing, setting forth the following information:

1. A description of the Capital Project, including available preliminary drawings, a narrative description and location maps, the reasons for and benefits of its acquisition, installation or construction and the use to which DOT&PF intends it to be put;

2. The estimated cost of the Capital Project and the means by which DOT&PF intends to finance its acquisition, installation or construction, an estimate of net M&O Expenses projected to result from the Capital Project and an estimate of its financial impact on Landing fees, rents and use fees;

3. Whether the proposed Capital Project falls within the scope of the exception provisions of Section 6.02 of this Agreement.

4. In the case of a Capital Project that does not fall within the scope of the exception provisions of Section 6.02 of this Agreement, and that has not been deferred under Section 6.03.C or D of this Agreement for the requisite period after Airline Majority disapproval, DOT&PF will include in such notification a statement of the voting procedures and deadlines as provided under B of this Section 6.03. At DOT&PF's discretion, or if so requested by the chairperson of the Airline/Airport Affairs Committee, DOT&PF will convene a meeting with the Airline/Airport Affairs Committee within thirty (30) days of such notice, or at such other time that is reasonably convenient for the parties, for the purpose of discussing and receiving comments concerning the Capital Project (the "Capital Project Meeting").

5. In the case of a Capital Project that falls within the scope of the exception provisions of Section 6.02 of this Agreement, other than those emergency Capital Projects undertaken pursuant to Section 6.02.6, DOT&PF will, nevertheless, furnish the Signatory Airlines the same information required by subsections A.1, A.2, and A.3, above, in advance of commencing the Capital Project.

B. Except for Capital Projects falling within the scope of the exception provisions of Section 6.02 of this Agreement, *** (Name of Airline) ***, so long as it is not in default under this Agreement, shall have the right to vote whether to disapprove a Capital Project that is not pre-approved under Section 6.01.B of this Agreement.

1. After or in conjunction with the notification required under A of this Section 6.03, DOT&PF will distribute a ballot to *** (Name of Airline) ***, if not in default, and to each other eligible Signatory Airline, as well as a list of the Signatory Airlines not in default under this Agreement as of the date of distribution, and therefore eligible to receive a ballot. A sample ballot is attached as Exhibit "N". Within thirty (30) days following distribution of the ballots, *** (Name of Airline) *** and each other eligible Signatory Airline must return to the then-current chairperson of the Airport/Airline Affairs Committee, or to his or her designee, its marked ballot signed by an authorized representative of such respective Signatory Airline. The chairperson or designee shall, upon receipt of each ballot, mark it with the date and time of receipt. Within 24 hours of a request by DOT&PF during the voting period, the chairperson will provide to DOT&PF by facsimile, a copy of each ballot

received by the chairperson as of that time. A proposed Capital Project shall be deemed approved unless by close of business on the second business day after the close of the 30-day voting period, the chairperson or a designee, provides by hand delivery, facsimile or electronic transmission, a written certification that an Airline Majority has timely voted disapproval of that Capital Project, with a hard-copy of the certification and copies of the eligible Signatory Airlines' receipt-marked ballots reflecting such vote delivered to DOT&PF within ten (10) days thereafter. Such approval shall be deemed to include approval of reasonable adjustments to scope, timing, and cost of the Capital Project; provided that the total cost of an approved Capital Project may not increase by more than fifteen percent (15%) of the originally approved estimated cost. Any cost increase beyond the limits stated in this paragraph shall be subject to Signatory Airline vote, except that any scope change or cost increase that would be entitled to exemption as an independent Capital Project under Section 6.02 shall be exempt from further Signatory Airline vote.

2. The Commissioner of DOT&PF, or the Commissioner's designee, may request reconsideration of any Capital Project for which approval is denied under paragraph 1 of this subsection 6.03.B, by distributing new ballots and calling a meeting to be held with the Signatory Airlines within fifteen (15) days after DOT&PF receives written notice that approval has been withheld. Unless approval is again specifically withheld within thirty (30) days after the reconsideration meeting by a second vote according to the procedures provided in paragraph 1 of this subsection 6.03.B, the proposed Capital Project will be deemed approved.

C. In the event an Airline Majority shall have disapproved a proposed Capital Project under Section 6.03.B of this Agreement, DOT&PF may (i) abandon the proposed Capital Project, (ii) carry out the Capital Project using financing that will not affect Signatory Airlines' rates and fees, or (iii) defer the Capital Project for twelve months from the date of the vote, after which DOT&PF may undertake the Capital Project after a second notice under Section 6.03.A, but without further need for a vote by the Signatory Airlines. In the latter case, DOT&PF may include the capital costs when incurred and operating costs of the Capital Project, when completed and placed in service, in the calculation of rates and fees chargeable to Signatory Airlines, as appropriate.

D. A Capital Project identified on the Capital Improvement Program described in attached Exhibit "C" to this Agreement as not pre-approved may be presented for Signatory Airline vote under Section 6.03.A and B. If such a Capital Project is disapproved by that Signatory Airline voting process, that Capital Project shall not be eligible under Section 6.03.C to be undertaken by DOT&PF twelve months after the vote. However, twenty-four (24) months after the vote, that Capital Project shall become eligible to be undertaken without further Signatory Airline vote upon notification under Section 6.03.A. In such case, DOT&PF may include the capital costs when incurred and operating costs of

the Capital Project, when completed and placed in service, in the calculation of rates and fees chargeable to Signatory Airlines, as appropriate.

E. DOT&PF and any and all third parties may rely on *** (Name of Airline) ***'s execution of this Agreement and, as applicable, each vote by the Signatory Airlines that is deemed an approval under B of this Section, as conclusively binding on *** (Name of Airline) *** and as conclusive expression of its consent and contractual authorization for DOT&PF to finance and carry out, each Capital Project that:

1. is identified as part of the pre-approved Capital Improvement Program described in attached Exhibit "C" to this Agreement; or
2. has been duly presented for review by the Signatory Airlines under Section 6.03.A and has either
 - a. not been disapproved under Section 6.03.B; or
 - b. has been deferred for the applicable period under Section 6.03.C or D and re-noticed to the Signatory Airlines under Section 6.03.A; or
3. is exempt from Signatory Airline vote under Section 6.02.

F. *** (Name of Airline) *** will in good faith review any multi-year capital improvement program developed by the Airport System for Fiscal Years beyond 2006 and submitted to the Signatory Airlines. On or before March 1, 2004, DOT&PF will submit such a proposed future multi-year capital improvement program to Signatory Airlines for review. *** (Name of Airline) *** and DOT&PF adopt the mutual goal of achieving Signatory Airline approval of a future multi-year capital improvement program before June 30, 2004 so that revenue bonds to finance projects that begin in Fiscal Year 2007 may be authorized and sold before the beginning of that Fiscal Year. *** (Name of Airline) *** understands that if by August 30, 2004 the Signatory Airlines have not approved such a future capital improvement program, DOT&PF intends to submit to the Signatory Airlines a cash-financed Fiscal Year 2007 capital improvement program for approval under this Section.

ARTICLE 7

Rents and Fees

Section 7.01. Consideration

The consideration that *** (Name of Airline) *** agrees to provide DOT&PF for this Agreement, including use of the Exclusive Use Premises, Preferential Use Premises, Common Use Premises, and Preferential Use Privilege Aircraft Parking Positions, is the following:

- A. Provide Commercial Air Transportation to and from an Airport, and
- B. Pay the rents and fees and perform all the obligations described in this Agreement. The rents and fees include the following:
1. Exclusive Use Premises Rent: For the Exclusive Use Premises set forth in attached Exhibits "K" and "L", *** (Name of Airline) *** will pay to DOT&PF rent in the amount of the terminal rental rate, calculated as described in Section 9.03 of this Agreement, multiplied by the square footage shown as Exclusive Use Premises on Exhibits "E" and "F", payable monthly. All rent for the Exclusive Use Premises is due in advance on the first day of each month.
 2. Preferential Use Premises Rent: For the Preferential Use Premises set forth in attached Exhibits "K" and "L", *** (Name of Airline) *** will pay to DOT&PF rent in the amount of the terminal rental rate, calculated as described in Section 9.03 of this Agreement, multiplied by the square footage shown on Exhibits "E" and "F", payable monthly. All rent for Preferential Use Premises is due in advance on the first day of each month.
 3. Airport Administered Premises Charge:
 - a. For any use *** (Name of Airline) *** makes of any Airport Administered Premises for purposes related to passenger transportation, *** (Name of Airline) *** will pay to DOT&PF each month a payment in the amount of the charge for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement, multiplied by the number of *** (Name of Airline) ***'s Passenger Flights that used Airport Administered Premises in the preceding month, as accurately reported in *** (Name of Airline) ***'s Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable Airport Administered Premises charges together with each Certified Activity Report on which it reports the Landings of the chargeable Passenger Flights. DOT&PF may, in its discretion, enter into an agreement with *** (Name of Airline) *** for rental of specified Airport Administered Premises for a period less than the remaining term of this Agreement upon monthly payment of rent in advance in the amount of one-twelfth (1/12) of the terminal rental rate, calculated as described in Section 9.03 of this Agreement, multiplied by the square footage of the specified Airport Administered Premises, plus one-twelfth (1/12) of the aircraft ramp rental rate, calculated as described in Section 9.06 of this Agreement, multiplied by the square footage of any associated Aircraft Parking Position. In conjunction with any use of Airport Administered Premises, *** (Name of Airline) *** shall also pay any applicable Common Use Premises charges as provided in subparagraph 5 of this Section.

b. For Passenger Flights at FAI using aircraft within FAA Design Group II or smaller, the charge for use of Airport Administered Premises will be adjusted to reflect only that component of the charge described in Section 9.07.C that is based upon use of terminal space.

4. Fee for Subordinate Use of Exclusive or Preferential Premises of Others: In the absence of a sublease or ground handling agreement with another Signatory Airline, approved by DOT&PF under Article 13 of this Agreement, for the subordinate use of exclusive or preferential use premises (including any associated Aircraft Parking Positions) of another Signatory Airline, *** (Name of Airline) *** will pay to DOT&PF a payment in the amount of the charge for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement, multiplied by the number of *** (Name of Airline) ***'s Passenger Flights utilizing such exclusive or preferential use premises of others on a subordinate basis, as accurately reported in *** (Name of Airline) ***'s Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable fees required under this subsection together with each Certified Activity Report on which it reports the Landings of the chargeable Passenger Flights. To the extent DOT&PF collects a fee under this paragraph from another airline for subordinate use of *** (Name of Airline) ***'s Premises, DOT&PF shall pay or credit the amount so collected to *** (Name of Airline) ***.

5. Common Use Premises Charge: For use of Common Use Premises that are available for use by all Airlines as set forth in attached Exhibits "E" and "F", *** (Name of Airline) *** will pay to DOT&PF each month, a payment in the amount of the charge at the applicable Airport per Enplaned Passenger for use of such space, calculated as described in Section 9.04 of this Agreement, multiplied by the number of *** (Name of Airline) ***'s Enplaned Passengers at that Airport in the preceding month, as accurately reported in *** (Name of Airline) ***'s Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable Common Use Premises fees together with each Certified Activity Report on which it reports the Enplaned Passengers. However, if, for purposes of this calculation only, a baggage claim device at ANC is shown in Exhibit "E" to this Agreement as the primary baggage claim device for use by *** (Name of Airline) ***, *** (Name of Airline) *** shall pay to DOT&PF for each Enplaned Passenger at ANC in the preceding month one-half of the charge per Enplaned Passenger described in Section 9.04.C.2 of this Agreement together with the sum calculated by multiplying the total square footage of all baggage claim devices designated as primary for *** (Name of Airline) *** as shown on Exhibit "E" times the per square foot charge described in Section 9.04.C.3 of this Agreement.

6. Preferential Use Parking Rent:

a. For the Preferential Use Privilege that *** (Name of Airline) *** enjoys in the Adjacent Aircraft Parking Positions shown on attached Exhibits "I" and "J", such Adjacent Aircraft Parking Positions being associated with *** (Name of Airline) ***'s Preferential Use Premises, *** (Name of Airline) *** will pay to DOT&PF rent in the amount of the aircraft ramp rental rate, calculated as described in Section 9.06 of this Agreement, multiplied by the total square footage of all Adjacent Aircraft Parking Positions in which *** (Name of Airline) *** enjoys a Preferential Use Privilege as shown on Exhibits "I" and "J". All Preferential Use Privilege rent is payable monthly and is due in advance on the first day of each month.

b. The Preferential Use Parking Rent shall not apply to an aircraft within FAA Design Group II or smaller making use of an Adjacent Aircraft Parking Position associated with FAI gate 1 as designated on Exhibit "J".

7. FIS Fee: As rent for the Federal Inspection Services area and international baggage claim area in the Airports' terminal building as shown on Exhibits "K" and "L", *** (Name of Airline) *** will pay to DOT&PF each month an FIS fee for each aircraft operated by *** (Name of Airline) *** exceeding 6,000 pounds Certificated Maximum Gross Takeoff Weight that deplanes any passenger or crew to clear for entry into the United States using the FIS area in the Airports' terminal building. *** (Name of Airline) *** shall pay the FIS fee, calculated as described in Section 9.05 of this Agreement, multiplied by the total number of *** (Name of Airline) *** flights that deplaned passengers or crew to clear for entry into the United States through the FIS area in the Airports' terminal building as accurately reported in *** (Name of Airline) ***'s Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable FIS fees together with each Certified Activity Report on which it reports the chargeable flights.

8. Fuel Flowage Fee:

a. *** (Name of Airline) ***, directly or through its supplier or agent, will pay to DOT&PF for the term of this Agreement a fuel flowage fee of \$0.027 per gallon for aircraft fuel dispensed at an Airport for *** (Name of Airline) ***'s use, measured as specified in DOT&PF agreements with suppliers. The fee will be paid monthly and is due on the twentieth (20th) day of the month after receipt of the fuel. Unless it makes such payment through its fuel supplier(s) or agent(s), *** (Name of Airline) *** shall accurately report its monthly fuel uplift in gallons in *** (Name of Airline) ***'s Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable fuel flowage fees together with each Certified Activity Report to DOT&PF.

9. Aircraft Parking Charges: *** (Name of Airline) *** will pay to DOT&PF each month charges for use of Adjacent Aircraft Parking Positions in which no Signatory Airline has a Preferential Use Privilege, and a charge for use of Remote Aircraft Parking Positions as follows:

a. For each use *** (Name of Airline) *** makes of a Remote Aircraft Parking Position, without enplaning or deplaning any revenue passengers, or of an Adjacent Parking Position in which no Signatory Airline has a Preferential Use Privilege for a Non-Passenger Flight, *** (Name of Airline) *** shall pay to DOT&PF the applicable charge for such use, calculated as described in Section 9.08 of this Agreement. *** (Name of Airline) *** shall pay each month the total charges applicable to such uses by *** (Name of Airline) *** in the preceding month as accurately reported in *** (Name of Airline) ***'s monthly Certified Activity Reports described in Section 11.01.C of this Agreement, whether for four (4) hours or less, or for more than four (4) hours, and whether by either jet or propeller driven, narrow-body, wide-body or B-757 aircraft. *** (Name of Airline) *** shall submit payment of the applicable aircraft parking charges together with each Certified Activity Report to DOT&PF.

b. For each use *** (Name of Airline) *** makes of a Remote Aircraft Parking Position for enplaning or deplaning revenue passengers and/or of an Adjacent Aircraft Parking Position in which no Signatory Airline has a Preferential Use Privilege for a Passenger Flight, *** (Name of Airline) *** shall pay to DOT&PF the charge for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement. *** (Name of Airline) *** shall pay each month the total charges for such uses based on the number of such uses by *** (Name of Airline) *** in the preceding month as accurately reported in *** (Name of Airline) ***'s monthly Certified Activity Reports described in Section 11.01.C of this Agreement. *** (Name of Airline) *** shall submit payment of the applicable aircraft parking charges together with each Certified Activity Report to DOT&PF.

10. Other Fees: DOT&PF reserves the right to impose and collect charges and fees (i) for the use of parking and tenant employee parking on the Airport; (ii) for the use of specified equipment, facilities or services when such use is requested by Signatory Airlines or others; (iii) for the privilege of operating concessions at the Airport; (iv) for the privilege of accessing the Airport to conduct any business other than Commercial Air Transportation; and (v) for use of any premises wiring distribution system or similar Airport infrastructure system, whether made available on a voluntary or mandatory basis.

11. Landing Fee: Rents and fees for the use of all other facilities, rights, and privileges granted to *** (Name of Airline) ***, except as provided elsewhere in this

Agreement, will be combined in and represented by a Landing fee that is subject to adjustment pursuant to Article 9 of this Agreement. No other fee may be charged for the facilities, rights, and privileges granted under this Agreement except as provided in this Agreement.

a. The Landing fee rate will be recalculated for each Fiscal Year as set forth in Section 9.09.

b. *** (Name of Airline) *** shall submit payment of its Landing fee obligation for the preceding month upon submission of its Certified Activity Report for that month as required under Section 11.01.C of this Agreement. The Landing fee obligation for each month will be calculated by dividing the total Certificated Maximum Gross Takeoff Weights of all of *** (Name of Airline) ***'s Landings of aircraft of 6,000 pounds or greater Certificated Maximum Gross Takeoff Weight during the month by 1,000, and multiplying that number times the then-current Landing fee rate established by DOT&PF in accordance with Article 9 of this Agreement.

Section 7.02. Acceptance of Payments and Interest on Overdue Payments

Acceptance by DOT&PF of any payment does not preclude DOT&PF from verifying the accuracy of *** (Name of Airline) ***'s calculations and from refunding or recovering any difference established by DOT&PF. Any payment due and not received by DOT&PF accrues interest from the due date until paid in full at the highest lawful contract rate in Alaska as defined by Alaska Statute 45.45.010 or as amended. For purposes of calculation of interest, any amount payable for an activity that is subject to reporting on a Certified Activity Report as provided under Section 11.01.C of this Agreement, is considered due on the date the Certified Activity Report on which it should be reported is due, whether the activity is reported in that Report or not. Interest on disputed amounts will not be charged to *** (Name of Airline) *** if the dispute is resolved in *** (Name of Airline) ***'s favor.

Section 7.03. Additional Rent

A. Any fee, charge, reimbursement obligation, or interest due to DOT&PF under this Agreement shall be deemed additional rent.

B. After ten (10) days written notice to *** (Name of Airline) ***, DOT&PF may, but is not obligated to, cure any default by *** (Name of Airline) *** of its obligation to perform under this Agreement.

C. In the event of an emergency, or for the protection of health or safety, or if necessary to maintain orderly operation of the Airport, DOT&PF may also perform any responsibility of *** (Name of Airline) *** without advance notice.

D. The costs incurred by DOT&PF, including the costs of any contractor on behalf of DOT&PF, to cure any default by *** (Name of Airline) *** or to perform any responsibility of *** (Name of Airline) *** under this Section 7.03, plus a fifteen percent (15%) administrative fee, is agreed to be additional rent. Unless otherwise provided, all additional rent is due from *** (Name of Airline) *** with the next installment of monthly rent due under this Agreement.

Section 7.04. Adjustment of Rents, Rates and Fees

A. The terminal rental rate and all rents, charges, rates and fees based upon it for use of Exclusive Use Premises, Preferential Use Premises, Airport Administered Premises, and Common Use Premises, as well as the Landing fee, the FIS fee, the aircraft ramp rental rate, and all rents, charges rates and fees based upon it for use of Aircraft Parking Positions are subject to annual recalculation under Article 9 and adjustment under Section 9.10 of this Agreement. The Landing fee is also subject to extraordinary adjustment under Section 9.11 of this Agreement.

B. For any Fiscal Year in which total Airport System Revenues otherwise received by DOT&PF, as determined by the audit prepared under Section 8.03 of this Agreement, fail to satisfy the total Airport System Revenue requirement as calculated under Section 9.09 of this Agreement using audited information, DOT&PF will invoice each Signatory Airline, pro rata, for a portion of the shortfall. In that event, *** (Name of Airline) *** will pay to DOT&PF, within thirty (30) days of invoicing by DOT&PF, that same percentage of the shortfall in Revenues for that Fiscal Year as the percentage that *** (Name of Airline) ***'s total Certificated Maximum Gross Takeoff Weights of all of *** (Name of Airline) ***'s Landings of aircraft of 6,000 pounds or greater reported on *** (Name of Airline) ***'s Certified Activity Reports for that Fiscal Year bears to the total Certificated Maximum Gross Takeoff Weights of all of Signatory Airline Landings of aircraft of 6,000 pounds or greater reported on Certified Activity Reports for that Fiscal Year.

Section 7.05. Non-Signatory Rates and Fees

DOT&PF may impose rates and fees on Non-Signatory Airlines for the use of the Airports that are higher than those rates and fees charged Signatory Airlines under this Agreement.

Section 7.06. Land Rent

During the stated original term of this Agreement, land rent for any aviation use land *** (Name of Airline) *** leases from DOT&PF at an Airport will, at the earliest date permitted under the lease after the effective date of this agreement, adjust to and remain at \$.09 per square-foot per year.

ARTICLE 8

Records and Reports

Section 8.01. DOT&PF Records of Airport System Cost Centers

A. DOT&PF will maintain a cost accounting system that identifies and segregates by account and cost center the following items for each Fiscal Year: (1) revenues; (2) operation and maintenance expenses, including administrative expenses of the Airport System; and (3) expenses of DOT&PF allocable to the Airport System; and (4) capital costs as provided in paragraph D of this Section.

B. Records must be kept for the following cost centers:

1. Airfield Cost Center;
2. Terminal Cost Center;
3. Other Buildings and Grounds Area Cost Center; and
4. Aircraft Ramp Cost Center.

C. The Airport System cost centers, as they presently exist are shown on attached Exhibits "G" and "H".

D. DOT&PF will maintain records that allocate capital funds from the IARF, contributions, Bonds, or other sources to each Airport System cost center. Annual Debt Service, including that to cover Bond issuance expenses, capitalized interest, and funding of special funds from Bond proceeds, must be prorated to each Airport System cost center in proportion to the amount of Bond proceeds expended in each Airport System cost center.

Section 8.02. DOT&PF Financial Reports

A. At least seven (7) months before the end of its Fiscal Year, DOT&PF will submit the following items to each Signatory Airline:

1. The proposed Annual Budget prepared for submission to the governor for legislative approval, to include all estimated Airport System expenses such as, maintenance, operation, and administrative expenses. The proposed Annual Budget must include a statement of estimated Airport System Revenues.
2. A schedule of Annual Debt Service payments required to be made during the next Fiscal Year.

3. A preliminary calculation of the Signatory Airline rents and Landing fees for the next Fiscal Year.

B. Within thirty (30) days after receipt of the reports described in Section 8.02.A, *** (Name of Airline) *** may present written comments concerning the reports. Upon request by the Signatory Airlines, a meeting for additional comments must be held between the Signatory Airlines and DOT&PF. DOT&PF will give due consideration to any comments submitted by *** (Name of Airline) *** and the other Signatory Airlines.

C. The proposed Annual Budget may be revised as a result of DOT&PF's discussions with *** (Name of Airline) ***, others, or as a result of DOT&PF's budget process.

D. If an Annual Budget is not adopted by the State before the Fiscal Year begins, the rents and fees in effect during the preceding Fiscal Year remain in effect until the State has adopted a new Annual Budget. The final computation of the new rents and fees will then be made by DOT&PF. The new rents and fees will be retroactively effective as of the beginning of that Fiscal Year.

Section 8.03. Airport System Annual Audit

To keep *** (Name of Airline) *** informed of the financial performance of the Airport System, DOT&PF will make available to *** (Name of Airline) *** the annual audit of the Airport System's financial statements. Upon request by *** (Name of Airline) ***, DOT&PF will answer questions about the audits or statements.

ARTICLE 9

Calculation of Rental Rates, Fees and Charges

Section 9.01. Annual Adjustment of Rental Rates, Fees and Charges

Airport System rental rates and other fees will be adjusted annually, effective the first day of each Fiscal Year, without formal amendment to this Agreement. DOT&PF will provide written notice to *** (Name of Airline) *** of all changes to the rental rate and other fees at least thirty (30) days prior to implementation.

Section 9.02. Allocation Methodology

In order to calculate Signatory Airline rental rates, fees and charges, DOT&PF shall account for, and allocate among the cost centers set forth in attached Exhibits "G" and "H", M&O Expenses, Annual Debt Service, each Fund Deposit Requirement, and administrative, overhead, and other indirect costs. All such allocations of expenses and revenues shall be in accordance with the allocation methodology described in attached Exhibit "M". The aggregate of rents, fees, and charges payable by all Signatory and Non-

Signatory Airlines, together with Non-Airline Revenues, shall be sufficient to pay the cost of operating, maintaining and improving the Airport System, and to satisfy all of DOT&PF's obligations to make all deposits and payments under this Agreement and any Bond Resolution.

Section 9.03. Terminal Rental Rate

A. Each year, DOT&PF will calculate the terminal rental rate per square foot per year for Airport System terminal buildings for the next Fiscal Year using its own reasonable estimates and projections.

B. DOT&PF will calculate the total Terminal Cost Center expenses for each Fiscal Year by adding together the following amounts projected for that Fiscal Year:

1. The total estimated direct and indirect M&O Expenses including DOT&PF's administrative overhead allocable to the Terminal Cost Center.
2. Annual Debt Service and Debt Service Coverage allocable to the Terminal Cost Center.
3. Any Fund Deposit Requirement established pursuant to either the Bond Resolution or this Agreement that is allocable to the Terminal Cost Center including deposits under Article 10 of this Agreement to the Maintenance and Operating Reserve Fund, the Supplemental Repair and Replacement Fund, the Airport System Capital Project Fund and the Airport System Development Fund.
4. Fifty percent (50%) of the Airport System FIS fee revenue requirement as calculated in Section 9.05.B not recovered by the FIS fee as calculated in Section 9.05, below.

C. DOT&PF will calculate the net Terminal Cost Center expenses for each Fiscal Year by subtracting the estimated amount of Airport System automobile parking revenue projected for that Fiscal Year from the Terminal Cost Center expense total calculated under paragraph B of this Section.

D. DOT&PF will calculate the terminal rental rate per square foot per year for Airport System terminal buildings for each Fiscal Year by dividing the net Terminal Cost Center expenses for that Fiscal Year (calculated under paragraph C of this Section) by the total Usable Premises in all of the terminal buildings of the Airport System. However, in no event may the terminal rental rate be less than \$20.00 per square foot per year.

Section 9.04. Charge for Use of Common Use Premises

A. Each year DOT&PF will calculate a charge per Enplaned Passenger for use of Common Use Premises at ANC, and a separate charge per Enplaned Passenger for use

of Common Use Premises at FAI, for the next Fiscal Year using DOT&PF's own reasonable estimates and projections.

B. DOT&PF will determine the charge per Enplaned Passenger for use of Common Use Premises at FAI for each Fiscal Year as follows:

1. DOT&PF will calculate a Common Use Premises requirement for FAI for each Fiscal Year by multiplying the total square footage of the Common Use Premises at FAI by the terminal rental rate for that Fiscal Year as calculated under Section 9.03 of this Agreement.

2. DOT&PF will calculate the charge per Enplaned Passenger for use of Common Use Premises at FAI for each Fiscal Year by dividing the Common Use Premises requirement for FAI for that Fiscal Year by the number of Enplaned Passengers that are forecasted on Passenger Flights forecasted to use Common Use Premises at FAI during that Fiscal Year.

C. DOT&PF will determine the charge per Enplaned Passenger for use of Common Use Premises at ANC for each Fiscal Year as follows:

1. DOT&PF will calculate a Common Use Premises requirement for ANC for each Fiscal Year by multiplying the total square footage of the Common Use Premises at ANC, as shown on Exhibits "O" and "P", by the terminal rental rate for that Fiscal Year as calculated under Section 9.03 of this Agreement. So long, however, as the projected total number of Enplaned Passengers at ANC for a Fiscal Year is less than three million (3,000,000), the square footage of Common Use Premises shown in Exhibit "O" will be excluded from the square footage of Common Use Premises used to calculate the Common Use Premises requirement for ANC for that Fiscal Year.

2. DOT&PF will calculate a charge per Enplaned Passenger for use of Common Use Premises at ANC for each Fiscal Year by dividing the Common Use Premises requirement for ANC for that Fiscal Year by the number of Enplaned Passengers that are forecasted on Passenger Flights forecasted to use Common Use Premises at all DOT&PF-operated terminals at ANC during that Fiscal Year. However, so long as the Common Use Premises square footage shown in Exhibit "O" is excluded from the calculation of the Common Use Premises requirement at ANC for a Fiscal Year, Enplaned Passengers forecasted on flights forecasted to use that portion of the Common Use Premises at ANC will be excluded from the calculation of the charge per Enplaned Passenger for that Fiscal Year.

3. DOT&PF will calculate a monthly charge per square foot of designated primary baggage claim devices at ANC for each Fiscal Year by first multiplying the total Enplaned Passengers forecasted for that Fiscal Year for all Signatory Airlines for which specific baggage claim devices have been designated, times one-half the

charge calculated under paragraph 2 of this subsection to derive a baggage claim device requirement for the Fiscal Year. DOT&PF will then divide that baggage claim device requirement by the total square footage of all baggage claim devices designated as a primary device for one or more Signatory Airline, and divide the resulting annual charge per square foot by twelve (12) to determine the monthly charge per square foot of designated primary baggage claim device. This calculation of the monthly charge per square foot for use of specifically assigned Common Use Premises at ANC is intended to allocate proportionately according to designated primary baggage claim device square footage at ANC, one half of the Common Use Premises requirement at ANC attributed to those Signatory Airlines for which primary baggage claim devices at ANC are designated.

Section 9.05. FIS Fee

- A. Each year DOT&PF will calculate the FIS fee for the Airport System for the next Fiscal Year using its own reasonable estimates and projections.
- B. DOT&PF will calculate the total Airport System FIS fee revenue requirement for each Fiscal Year by multiplying the total square footage of all FIS office space, inspection station areas and international bag claim in the Airport System terminal buildings by the terminal rental rate calculated for that Fiscal Year under Section 9.03 of this Agreement.
- C. DOT&PF will determine the Airport System FIS fee for each Fiscal Year by dividing the total Airport System FIS fee revenue requirement for that Fiscal Year by the number of flights by aircraft having Certificated Maximum Gross Takeoff Weight of 6,000 pounds or more projected to deplane any passenger or crew to clear for entry into the United States using FIS office space and inspection station areas in the Airport System terminal buildings during that Fiscal Year.
- D. The Airport System FIS fee shall not exceed \$35.00 per inspection. Should the rate computed in Section 9.05.C exceed \$35.00 per inspection, fifty percent (50%) of the Airport System FIS fee revenue requirement not recovered by a rate of \$35.00 per inspection shall be allocated to Terminal Cost Center expenses.

Section 9.06. Aircraft Ramp Rental Rate

- A. Each year DOT&PF will calculate the aircraft ramp rental rate per square foot per year for the Airport System's Aircraft Parking Positions for the next Fiscal Year using its own reasonable estimates and projections.
- B. The total aircraft ramp rental requirement for each Fiscal Year will be the Aircraft Ramp Cost Center costs for that Fiscal Year, which shall be ten percent (10%) of the total projected direct and indirect M&O Expenses, including DOT&PF's administrative overhead, allocated to the Airfield Cost Center for that Fiscal Year.

C. DOT&PF will calculate the aircraft ramp rental rate for each Fiscal Year by dividing the total aircraft ramp rental requirement for that Fiscal Year by the total number of square feet of all of the Airport System's Aircraft Parking Positions as indicated on attached Exhibits "I" and "J".

Section 9.07. Charge for Use of Airport Administered Premises

A. Each year DOT&PF will calculate a charge per Landing for use of Airport Administered Premises at ANC for the next Fiscal Year, and a separate charge for use of Airport Administered Premises at FAI for the next Fiscal Year, using DOT&PF's own reasonable estimates and projections. The charge per Landing will cover use of Airport Administered Premises for a period not to exceed four (4) hours. A charge equal to the rate per Landing will be assessed for each subsequent period of up to four (4) hours of use.

B. DOT&PF will calculate the Airport Administered Premises rent requirement for ANC for each Fiscal Year by adding together the following amounts projected for that Fiscal Year:

1. The number of square feet of Rentable Premises at ANC that are neither included in Common Use Premises nor exclusively leased premises, multiplied by the terminal rental rate as calculated in Section 9.03 of this Agreement; plus
2. The total number of square feet of Adjacent Aircraft Parking Positions at ANC multiplied by the aircraft ramp rental rate as calculated in Section 9.06 of this Agreement.
3. DOT&PF will calculate the charge for use of Airport Administered Premises at ANC for each Fiscal Year by dividing the Airport Administered Premises rent requirement for ANC for that Fiscal Year by the number of Adjacent Aircraft Parking Positions at ANC multiplied by three hundred sixty-five (365) times two (2) (as a proxy for annual Passenger Flight uses of each Airport Administered Premise and associated Adjacent Aircraft Parking Position based upon two (2) turns per day per Adjacent Aircraft Parking Position).

C. DOT&PF will calculate the Airport Administered Premises rent requirement for FAI for each Fiscal Year by adding together the following amounts projected for that Fiscal Year:

1. The number of square feet of Rentable Premises at FAI that are neither included in Common Use Premises nor exclusively leased premises, multiplied by the terminal rental rate as calculated in Section 9.03 of this Agreement; plus

2. The total number of square feet of Adjacent Aircraft Parking Positions at FAI multiplied by the aircraft ramp rental rate as calculated in Section 9.06 of this Agreement.

3. DOT&PF will calculate the charge for use of Airport Administered Premises at FAI for each Fiscal Year by dividing the Airport Administered Premises rent requirement for FAI for that Fiscal Year by the number of Adjacent Aircraft Parking Positions at FAI multiplied by three hundred sixty-five (365) times one and one quarter (1.25) (as a proxy for annual Passenger Flight uses of each Airport Administered Premise and associated Adjacent Aircraft Parking Position based upon one and one quarter (1.25) turns per day per Adjacent Aircraft Parking Position).

Section 9.08. Aircraft Parking Charges

A. Each year DOT&PF will calculate the charge for the Airport System for the next Fiscal Year for each use of a Remote Aircraft Parking Position by an aircraft that does not enplane or deplane revenue passengers and for each use of an Adjacent Aircraft Parking Position by a Non-Passenger Flight. Using its own reasonable estimates and projections, DOT&PF will calculate charges, adjusted for duration of use, for each of the following types of aircraft:

1. narrow-body jet aircraft (including smaller jet-powered aircraft);
2. wide-body jet and B-757 aircraft; and
3. propeller-driven aircraft.

B. DOT&PF will calculate the total aircraft parking requirement for each Fiscal Year by subtracting the total projected amount of Preferential Use Privilege Aircraft Parking Position rents for that Fiscal Year from the total aircraft ramp rental requirement for that Fiscal Year as calculated under Section 9.06.B of this Agreement.

C. To determine the Aircraft Parking Charge Rate for each Fiscal Year, DOT&PF will first calculate a weighted total number of projected Landings for that Fiscal Year by aircraft having Certificated Maximum Gross Takeoff Weight of 6,000 pounds or more, expected to use an Aircraft Parking Position and not expected to enplane or deplane revenue passengers. The weighted projected Landings for a Fiscal Year will be the sum of DOT&PF's projections for such Landings for that Fiscal Year weighted as follows:

1. One (1) times the number of such Landings by narrow-body jet and propeller-driven aircraft that use an Aircraft Parking Position for a duration of less than four (4) hours;

2. Two (2) times the number of such Landings by wide-body jet and B-757 aircraft that use an Aircraft Parking Position for a duration of less than four (4) hours;
3. Three (3) times the number of such Landings by narrow-body jet aircraft and propeller-driven aircraft that use an Aircraft Parking Position for a duration of four (4) hours to twenty-four (24) hours; and
4. Four (4) times the number of such Landings by wide-body jet and B-757 aircraft that use an Aircraft Parking Position for a duration of four (4) hours to twenty-four (24) hours.

D. For each Fiscal Year, DOT&PF will calculate the Aircraft Parking Charge Rate by dividing the total aircraft parking requirement for that Fiscal Year calculated under B of this Section by the weighted projected Landings for that Fiscal Year as calculated under C of this Section.

E. The charge per twenty-four (24)-hour period for each use of an Aircraft Parking Position by an aircraft that does not enplane or deplane revenue passengers is as follows, according to the type of aircraft and duration of use:

1. By narrow-body jet and propeller-driven aircraft for a duration of less than four (4) hours:
One (1) times the Aircraft Parking Charge Rate.
2. By wide-body jet and B-757 aircraft for a duration of less than four (4) hours:
Two (2) times the Aircraft Parking Charge Rate.
3. By narrow-body jet and propeller-driven aircraft for a duration from four (4) hours to twenty-four (24) hours:
Three (3) times the Aircraft Parking Charge Rate.
4. By wide-body jet and B-757 aircraft for a duration from four (4) hours to twenty-four (24) hours:
Four (4) times the Aircraft Parking Charge Rate.

Section 9.09. Landing Fee

A. Each year DOT&PF will calculate the Airport System Landing fee for the next Fiscal Year using its own reasonable estimates and projections.

B. DOT&PF will calculate the total Airport System Revenue requirement for each Fiscal Year by adding together the following amounts projected for the Airport System for that Fiscal Year:

1. The total estimated direct and indirect M&O Expenses, including DOT&PF's administrative overhead, for the Airport System;

2. The Annual Debt Service and Debt Service Coverage of the Airport System to be paid from Airport System rates and fees, plus any other amount required by the Bond Resolution;

3. The aggregate Fund Deposit Requirements established pursuant to either the Bond Resolution or Article 10 of this Agreement;

C. DOT&PF will determine the Airport System Landing fee requirement for each Fiscal Year by subtracting from the total Airport System Revenue requirement the following amounts projected for the Airport System for that Fiscal Year:

1. All operating Revenues, including

a. Terminal concession revenues, vehicle parking revenues, rental car revenues, ground transportation revenues;

b. Tie-down permit revenues and land and building rental and permit revenues, excluding those amounts that are received as repayments to the Airport System Development Fund;

c. Fuel flowage revenues;

d. Signatory Airline terminal rental revenues for exclusively and preferentially leased premises;

e. Signatory Airline preferential use Aircraft Parking Position revenues;

f. Airport Administered Premises and Common Use Premises revenues from use by Signatory and Non-Signatory Airlines;

g. All FIS fee revenues from Signatory and Non-Signatory Airlines;

h. All revenues for use of Remote Aircraft Parking Positions and for use of Adjacent Aircraft Parking Positions for Non-Passenger Flights; and

i. Any miscellaneous operating Revenues, other than Landing fees, to be derived or received by DOT&PF in its operation of the Airport System;

j. A portion of Excess Revenues not to exceed the Fund Deposit Requirement under Section 10.03.B for that Fiscal Year minus any amount projected to be used from the Supplemental Repair and Replacement Fund and that is not capitalized in the accounting records maintained under Article 8 of this Agreement.

2. Interest earnings from the IARF for each Fiscal Year, excluding any interest earned on PFC collections and on the unexpended balance of the Airport System Development Fund; and

3. Any surplus in Landing fee collections in the preceding Fiscal Year, calculated by subtracting the total Landing fee revenue known and projected actually to be received by DOT&PF for the preceding Fiscal Year from the Airport System Landing fee requirement, updated to reflect known and projected actual information, for that Fiscal Year.

D. DOT&PF will calculate the Signatory Airline Landing fee rate for each Fiscal Year by dividing the Airport System Landing fee requirement as calculated in this Section 9.09 by the total estimated Certificated Maximum Gross Takeoff Weight of all Landings of aircraft having Certificated Maximum Gross Takeoff Weight of 6,000 pounds or more projected to land at the Airport System that Fiscal Year, adjusting the projected Certificated Maximum Gross Takeoff Weight of Non-Signatory Airline Landings by the percentage, if any, by which the Non-Signatory Landing fee rate exceeds the Signatory Landing fee rate. However, in no event may the Landing fee rate be less than \$0.50 per 1,000 pounds of Certificated Maximum Gross Takeoff Weight.

Section 9.10. Mid-Year Adjustment of Rental Rates, Fees and Charges

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, DOT&PF shall furnish the Signatory Airlines with a revised projection of Revenues from rental rates, fees and charges, as well as revisions of the various Airport System requirements described in this Article 9, (the "Mid-Year Projection") based on actual receipts and trends in activity reflected by the most recently available information for that Fiscal Year and for the preceding Fiscal Year with regard to each of the rents, fees and charges described in Section 7.01 of this Agreement. If the Mid-Year Projection forecasts total payments of Landing fees, Signatory Airline terminal rentals for exclusively leased and preferentially leased premises, Airport Administered Premises and Common Use Premises, FIS fees, and revenues from Remote Aircraft Parking Positions and non-preferential use of Adjacent Aircraft Parking Positions that would result in an overpayment or underpayment of five percent (5%) or more of the aggregate amount of the revised Airport System requirements for those rents and fees, then DOT&PF may adjust the respective Landing fee, terminal rental rate, FIS fee or Aircraft Parking Charge Rate for the balance of the Fiscal Year such that Mid-Year Projection activity levels and collection rates would result in satisfaction of budget requirements.

Section 9.11. Extraordinary Adjustments of Landing Fee Rate

A. If at any time DOT&PF projects that the Revenues of the Airport System received by DOT&PF for a current Fiscal Year will not be sufficient to cover the total Airport System Revenue requirement for that Fiscal Year as described in Section 9.09.B of this Agreement, DOT&PF, after consultation with the Signatory Airlines, and consideration of

reducing M&O Expenses or using reserve funds to meet the requirement, may, after thirty (30) days written notice to *** (Name of Airline) ***, immediately increase the Landing fee rate to the amount necessary to cover the total Airport System Revenue requirement for that Fiscal Year.

B. If the total Landing fee revenue received by DOT&PF for any quarter of any Fiscal Year varies by more than ten percent (10%) from the Airport System Landing fee requirement calculated under Section 9.09.C of this Agreement, using known and projected actual information attributable to that quarter, DOT&PF may adjust the Landing fee for the balance of the Fiscal Year.

ARTICLE 10

Bond Resolution; Establishment of Funds

Section 10.01. Subordination to Bond Resolution

A. This Agreement is subordinate in all respects and at all times to every Bond Resolution then in effect.

B. *** (Name of Airline) *** will be given an opportunity to review and comment on drafts of proposed amendments to all existing Bond Resolutions and drafts of official statements for the issuance of additional Bonds. DOT&PF will give due consideration to the comments before adopting the amendments or issuing new Bonds.

Section 10.02. Establishment of Funds

A. Within the IARF, DOT&PF has administratively established the following funds (collectively, the "Administrative Funds"):

1. Maintenance and Operating Reserve ("M&O Reserve Fund");
2. Supplemental Repair and Replacement Fund;
3. Airport System Capital Project Fund;
4. Airport System Development Fund; and
5. Excess Revenue Fund.

B. Amounts held in Administrative Funds shall be used for the purposes set forth in this Agreement and in the Bond Resolution.

Section 10.03. Deposits into Funds

A. At any time when a pledge of Revenues under a Bond Resolution is in effect, all Revenues from the Airport System collected by DOT&PF shall be applied as set forth in the Bond Resolution.

B. The Fund Deposit Requirement for each Administrative Fund or account for each Fiscal Year shall be as follows:

1. The Fund Deposit Requirement for the M&O Reserve Fund shall be the amount required to maintain a balance in the M&O Reserve Fund equal to one-fourth (1/4) of the projected M&O expenses for such Fiscal Year.

2. The Fund Deposit Requirement for the Supplemental Repair and Replacement Fund shall equal \$1,500,000 for the Fiscal Year ending in 2002 and for each Fiscal Year thereafter, the amount necessary to bring the balance of the Supplemental Repair and Replacement Fund up to the Required Balance. For each Fiscal Year after 2002, the Required Balance shall be the prior year's Required Balance multiplied by one (1) plus the percentage increase, if any, in the Anchorage CPI during the most recently ended twelve (12)-month period for which the Anchorage CPI is available.

3. The Fund Deposit Requirement for the Airport System Capital Project Fund shall equal the amount authorized from rates and charges in the Annual Budget for that Fiscal Year for Capital Projects approved by Signatory Airlines under Section 6.01.B or 6.03 of this Agreement, plus the amount authorized from rates and charges in the Annual Budget for that Fiscal Year for Capital Projects not requiring Signatory Airline approval under Section 6.02 of this Agreement.

4. The Fund Deposit Requirement for the Airport System Development Fund shall equal \$6,000,000 for the Fiscal Year ending in 2002. For each Fiscal Year after 2002 the Fund Deposit Requirement for the Airport System Development Fund shall be the prior year's Airport System Development Fund Deposit Requirement multiplied by one (1) plus the percentage increase, if any, in the Anchorage CPI during the most recently ended twelve (12)-month period for which the Anchorage CPI is available.

C. Each Fiscal Year all Excess Revenues will be deposited to the Excess Revenue Fund.

Section 10.04. Uses of Funds

A. The moneys on deposit in the Funds described in this Article 10 shall be used in accordance with the provisions of this Agreement and the Bond Resolution.

B. Any balance in the IARF after the deposits and transfers set forth in this Agreement shall remain in the IARF and shall be available only (i) to meet deficiencies arising in any of the Funds in the order of their priority under the Bond Resolution and (ii) to make future deposits and transfers required under this Agreement.

C. The moneys in the M&O Reserve Fund shall be used by DOT&PF to pay M&O Expenses.

D. The moneys in the Supplemental Repair and Replacement Fund shall be used for any payment that becomes due and payable in any Fiscal Year on account of any award, judgment or settlement resulting from any of the events described in Section 1.01.41(g), or for payment of unanticipated repairs or replacements reasonably necessary to be undertaken without delay to preserve and maintain the Airport System or its facilities. DOT&PF shall withdraw from the Supplemental Repair and Replacement Fund an amount equal to the lesser of (1) the amount of such payment or (2) the balance of the Supplemental Repair and Replacement Fund and shall apply such amount to such payment, before including any amounts attributable thereto as M&O Expenses in the calculation of airline fees and charges.

E. The moneys in the Airport System Capital Project Fund shall be used for payment of Capital Projects that were approved under the Former Agreement and Capital Projects that are either approved by the Signatory Airlines under Section 6.03 of this Agreement or are not required to be so approved.

F. The moneys in the Airport System Development Fund shall be used for any purpose for which Airport System revenues may lawfully be used. Interest on earnings on the unexpended balance of the Airport System Development Fund shall be retained in that Fund.

G. To the extent legally permissible, upon request of an Airport tenant and approval of the Airport Manager, Airport System Development Fund moneys may be used on or for the benefit of Airport premises exclusively leased from DOT&PF as provided in this subsection G.

1. Use of Airport System Development Fund moneys at the request of an Airport tenant for the benefit of exclusively leased premises, shall be limited to design and construction of basic site preparations and land improvements to be owned by DOT&PF upon construction, including but not limited to, excavation, fill and drainage of lease lots, utility installation, ramp, taxiway, and access road development, vehicle parking areas, and security fencing.

2. Work approved by DOT&PF for use of Airport System Development Fund moneys at the request of an Airport tenant for the benefit of exclusively leased premises may be performed by the tenant on behalf of DOT&PF only under

construction standards, methods and contracting consistent with that required for public construction by DOT&PF.

3. DOT&PF will require the Airport tenant by or for whose benefit Airport System Development Fund moneys are used under this subsection to pay a charge to recover through the tenant's lease agreement over a period not to exceed twenty-five (25) years, principal, plus not less than five percent (5%) interest, for deposit to replenish the Airport System Development Fund.

4. In deciding whether Airport Development Fund moneys will be expended on any exclusively leased area, DOT&PF will consider the following criteria:

- a. Whether the development will maintain or increase airport revenue;
- b. Whether the project will have a positive cost/benefit ratio;
- c. Comments received during consultation with the Signatory Airlines;
- d. Whether the project is consistent with sound airport planning;
- e. Whether funding is available; and
- f. Whether the tenant can provide satisfactory guarantees of its financial ability to carry through with the proposed development and cost recovery.

H. Moneys in the Excess Revenue Fund at the close of a Fiscal Year shall be applied in any following Fiscal Year as provided in Section 9.09.C.1.j of this Agreement, or for any other legally permissible purpose consistent with the obligations of the Airport System and of DOT&PF under the Bond Resolution, as designated by the Airline/Airport Affairs Committee in writing by its chairperson on or before the first day of May of the Fiscal Year preceding the Fiscal Year in which such moneys are to be applied.

ARTICLE 11

Additional Responsibilities of Parties

Section 11.01. * (Name of Airline) ***'s Responsibilities**

A. Information about *** (Name of Airline) ***'s Operations: On a paper or electronic form as prescribed by DOT&PF, *** (Name of Airline) *** shall, within thirty (30) days after execution of this Agreement, file with the Airport Director at each Airport that *** (Name of Airline) *** serves or intends to serve, information describing its operations at that Airport. *** (Name of Airline) *** shall update this information as may reasonably be requested by the

Airport Director, but in any case within sixty (60) days after the beginning of each Fiscal Year. The report must include:

1. Names and telephone numbers of *** (Name of Airline) ***'s corporate officials responsible for various major *** (Name of Airline) *** functions including station operations, flight operations, scheduling, properties, facilities, and the names, titles and telephone numbers of officials responsible for *** (Name of Airline) ***'s operations at the Airport;
2. The then-current schedule of *** (Name of Airline) ***'s flights to and from the Airport (to be updated semi-annually and upon any major intervening schedule change);
3. A description of *** (Name of Airline) ***'s fleet and identification of *** (Name of Airline) ***'s aircraft that will or may serve the Airport, and the Certificated Maximum Gross Takeoff Weight for each aircraft;
4. The identity of *** (Name of Airline) ***'s Affiliated Airlines whose aircraft or personnel may serve the Airport at any time during the term of this Agreement. For each such Affiliated Airline that is not a Signatory Airline, *** (Name of Airline) *** shall furnish DOT&PF with the information requested in paragraphs 1 through 3, above, regarding that Affiliated Airline;
5. A statement of *** (Name of Airline) ***'s then-current facility requirements at the Airport, including, if any, its requirements for Affiliated Airlines; and
6. Any other information DOT&PF reasonably requests as necessary for sound airport management, including management of Airport Administered Premises.

B. Certificated Maximum Gross Takeoff Weight Forecast: At least four (4) months before the end of each Fiscal Year, *** (Name of Airline) *** shall submit to DOT&PF, in writing, its Certificated Maximum Gross Takeoff Weight forecast for Landings by aircraft of 6,000 pounds or greater Certificated Maximum Gross Takeoff Weight for the next Fiscal Year, broken down by quarter, together with a like forecast for each of its Non-Signatory Affiliated Airlines that may serve the Airport System during that next Fiscal Year. If *** (Name of Airline) *** fails to furnish its forecast at the time specified, DOT&PF may, without further notice or waiver of *** (Name of Airline) ***'s obligation under this paragraph, forecast *** (Name of Airline) ***'s activity.

C. Certified Activity Report and Payment: For any Airport where *** (Name of Airline) *** does not intend to make any Landings, *** (Name of Airline) *** may provide written notice to the Airport Director that it will not be landing at that Airport absent emergency circumstances, and that it will advise the Airport Director in writing prior to initiating service to, or otherwise landing at, that Airport. For each Airport to which *** (Name of Airline) *** has not provided such written notice, or where *** (Name of

Airline*** has landed in the preceding month despite such notice, ***(Name of Airline)*** shall file a Certified Activity Report each month as follows:

1. On or before the tenth (10th) day of each month, ***(Name of Airline)*** will provide to the Airport Director, on paper or electronic forms as prescribed by DOT&PF, a Certified Activity Report of ***(Name of Airline)***'s operations at that Airport during the preceding month, including the following information:
 - a. the number of Landings made by ***(Name of Airline)*** at the Airport and the Certificated Maximum Gross Takeoff Weight of each Landing by an aircraft having a Certificated Maximum Gross Takeoff Weight of 6,000 pounds or more;
 - b. the number of Enplaned Passengers, identifying the number of enplaned non-revenue passengers, deplaned passengers, and through passengers of ***(Name of Airline)*** at the Airport;
 - c. the total tonnages for each of all cargo (1) enplaned, (2) deplaned or (3) moved in transit by ***(Name of Airline)*** at the Airport;
 - d. the number of gallons of aircraft fuel and the number of gallons of any other fuel provided to ***(Name of Airline)*** at the Airport, identified according to the fuel provider; and
 - e. any other data that DOT&PF may reasonably request.
2. On separate forms, ***(Name of Airline)*** shall report to DOT&PF the same information for each Non-Signatory Airline that ***(Name of Airline)*** ground-handled at the Airport, including each Non-Signatory Affiliated Airline that ***(Name of Airline)*** ground-handled at the Airport, at any time during the preceding month.
3. ***(Name of Airline)*** will submit with each Certified Activity Report payment in full of all of its fee obligations under Article 7 of this Agreement that are based on information contained in that report and able to be calculated from it.
4. If ***(Name of Airline)*** fails to submit to the Airport Director the Certified Activity Report required by this Section 11.01.C by the tenth (10th) day of any month, ***(Name of Airline)*** shall pay, in addition to interest on all unpaid fees payable with that report, a late fee of \$30.00 for the first day late, and \$15.00 per day thereafter until the report is received. For any Certified Activity Report not submitted within forty-five (45) days of its due date, DOT&PF may elect to conclusively presume that ***(Name of Airline)***'s activity for that month was equal to the highest activity level ***(Name of Airline)*** reported on a Certified Activity Report within the preceding nine (9) months.

5. DOT&PF shall be entitled to audit *** (Name of Airline) ***'s records by any reasonable method not more frequently than once every twelve (12) months to confirm the completeness and accuracy of the information in *** (Name of Airline) ***'s Certified Activity Reports, and for any other reasonable and good-faith purpose relating to this Agreement.

D. Airline Financial Statements: If, during the period that any Bonds are outstanding, DOT&PF determines that *** (Name of Airline) *** is an "Obligated Person" for purposes of financial disclosure under securities laws or regulations, DOT&PF will request that *** (Name of Airline) *** provide DOT&PF either (1) a copy of the most recently prepared financial statements (audited, if available) of *** (Name of Airline) *** or (2) if *** (Name of Airline) *** files a Form 10K or Form 10Q with the Securities and Exchange Commission, a cross-reference to such filing. Upon receipt of such a request in writing from DOT&PF, together with a statement by DOT&PF that it has found *** (Name of Airline) *** to be an "Obligated Person," *** (Name of Airline) *** will promptly comply with such request. Subject to any other interpretation required for compliance with securities laws and regulations, for purposes of this Section, an "Obligated Person" is a Signatory Airline or other user of the Airport System (i) having an agreement with DOT&PF that requires, among other things, payment of rates calculated to pay a portion of debt service on the Bonds, and (ii) which Signatory Airline or other user has paid at least twenty percent (20%) of the Revenues for the Airport System for each of the two (2) previous Fiscal Years.

E. Maintenance, Repair, and Alteration Responsibilities: *** (Name of Airline) *** has the maintenance, repair, and alteration responsibilities described in this subsection. *** (Name of Airline) *** will, at its sole expense and in a manner acceptable to DOT&PF:

1. Maintain and keep all of *** (Name of Airline) ***'s Premises, Preferential Use Privilege Aircraft Parking Positions, Airport Administered Aircraft Parking Positions during *** (Name of Airline) ***'s use, and surrounding apron area, in a neat, clean, safe and orderly condition, free from litter, debris, refuse and other solid waste, and Hazardous Substances that may result from the activities of *** (Name of Airline) ***, its passengers, employees, licensees, invitees, agents, or suppliers. In the event of a release, as defined in AS 46.03.826, of one (1) gallon or more of jet fuel, oil, or grease to land, or any amount of Hazardous Substance other than deicing fluid from normal deicing operations, to water or land and that must be reported to the Alaska Department of Environmental Conservation, *** (Name of Airline) *** shall immediately notify Airport Dispatch as well as any other governmental agency to which reporting is required by law. *** (Name of Airline) *** shall also submit to DOT&PF a copy of any report *** (Name of Airline) *** supplies to any other government agency concerning a Hazardous Substance release on an Airport. *** (Name of Airline) *** shall act promptly to contain the release of Hazardous Substance, repair any damage, absorb, and clean up the release and restore the affected area to the satisfaction of DOT&PF and, if applicable, any other government agency having jurisdiction.

To the extent applicable environmental law and permits issued to DOT&PF allow, and subject to the restrictions or requirements developed by DOT&PF in coordination with *** (Name of Airline) *** to ensure compliance with those laws and permits, application of de-icing fluid by *** (Name of Airline) *** or to *** (Name of Airline) ***'s aircraft, is not prohibited at an Airport. To minimize environmental impact to the Airport and surrounding areas, *** (Name of Airline) *** may de-ice aircraft only at locations designated or approved by DOT&PF in coordination with *** (Name of Airline) ***. *** (Name of Airline) *** is responsible for reporting de-icing fluid use to DOT&PF and any other government agency having jurisdiction and for ensuring that de-icing fluid used by or for *** (Name of Airline) *** is properly managed;

2. Perform reasonable, ordinary, and preventative maintenance and janitorial service within its Premises, including:

a. Maintain and repair all personal property, fixtures and equipment that are not provided by DOT&PF including fixtures, doors, interior windows, plumbing fixtures, baggage conveyors and belts not devoted to common use, fire walls between belt systems, floor and wall finishes or coverings, and ticket counters; and

b. Maintain and repair all electrical, plumbing, heating, ventilating, and air conditioning appliances that are not provided by DOT&PF;

3. Immediately repair any uninsured damage at the Airport caused by the fault or negligence of *** (Name of Airline) ***, its servants, contractors, agents, licensees, or employees;

4. Pay to DOT&PF as additional rent any extraordinary cost incurred by DOT&PF in providing *** (Name of Airline) *** with water, sewer service, electricity, or extraordinary use of any other utilities as are required; and

5. Ensure that DOT&PF has emergency access to *** (Name of Airline) ***'s Exclusive Use Premises either by delivering keys and combinations to keyless locks to the Airport Director or by providing emergency telephone numbers by which *** (Name of Airline) *** or its agent can be reached on a 24-hour basis.

F. Disabled or Abandoned Aircraft

1. If any aircraft owned or operated by *** (Name of Airline) ***, through accident or any other reason, is disabled or abandoned in any area of the Airport where it could interfere with the continuous, normal operations or any landing and field facilities, *** (Name of Airline) *** will:

a. Immediately provide for approval by the Airport Director a concise plan for removal of the aircraft;

b. As expeditiously as possible remove the aircraft to a location designated by the Airport Director, unless the aircraft is required to remain in place pending investigation by the appropriate federal regulatory agencies; and

c. In the event of any incident where federal investigation in-place is required, immediately upon receiving clearance to do so from the appropriate federal agency investigating such incident, and confirming that clearance with Airport Director, implement the plan to remove the aircraft and any resulting wreckage or debris to the area designated by the federal agency authorizing the removal; otherwise the aircraft wreckage and debris may immediately be removed at *** (Name of Airline) ***'s expense to be stored at a location approved by the Airport Director.

2. If *** (Name of Airline) *** fails to proceed immediately to remove the disabled aircraft as provided above, or if any aircraft owned or operated by *** (Name of Airline) *** is abandoned on the Airport, DOT&PF has the right, after reasonable advance written notice to *** (Name of Airline) *** to remove the aircraft by any reasonable means DOT&PF deems necessary under the circumstances, and *** (Name of Airline) *** will reimburse DOT&PF for all costs and expenses (including storage costs) incurred in the removal and will indemnify, save harmless, and defend the State from any liability, cost, or expense resulting from the removal to the extent set forth in Section 12.01 of this Agreement.

Section 11.02. DOT&PF's Responsibilities

A. During the term of this Agreement, DOT&PF will:

1. Retain FAA Airport certification;

2. Operate and maintain the Airport System in reasonable condition and repair, including the runways, taxiways, aprons, roadways, vehicle parking areas, public areas of the terminal buildings, and all appurtenances, facilities, and services, but excluding exclusively leased premises and other leased premise interiors and fixtures;

3. Keep the public areas of the terminal buildings adequately and attractively equipped, furnished, and decorated, as well as clean and presentable. In the public view areas of the terminal buildings, DOT&PF will provide and supply directional and informational signs, heat, electricity, light, power, air conditioning, wastewater disposal, water, and janitorial services including rubbish removal. DOT&PF will also keep in good repair and condition the exterior and structural portions of the

walls, exterior doors, roof, and floor of the Exclusive Use Premises, Preferential Use Premises and Common Use Premises, as well as all central electrical and mechanical distribution systems; and

4. Maintain existing and future utility systems in the terminal buildings in reasonable condition and repair, including heat, electricity, fire alarm, sprinkler, air conditioning, baggage conveyors, and, if provided by the Airport, such infrastructure as a premises wiring distribution system, and closed circuit television, and any lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all those systems and that are not the responsibility of *** (Name of Airline) ***. DOT&PF may enter the Premises at all reasonable times to make any necessary repairs, alterations, and replacements.

B. DOT&PF will use its best efforts to restore service as soon as practical after any interruption in the services described in this Section. DOT&PF shall be deemed in compliance with paragraph A of this Section despite any such interruption so long as it diligently pursues restoration of the services.

Section 11.03. DOT&PF's Right to Inspect and Make Repairs

A. DOT&PF (or its representative) has the right, at reasonable times and with as little interruption of *** (Name of Airline) ***'s operations as practical, to enter *** (Name of Airline) ***'s Premises for the following purposes:

1. Inspections to verify *** (Name of Airline) ***'s compliance with this Agreement; and
2. To do anything that DOT&PF has the right or obligation to do.

B. Except in the case of an emergency, reasonable notice must be given and DOT&PF will coordinate with *** (Name of Airline) *** in order to minimize interference with *** (Name of Airline) ***'s activities.

Section 11.04. Alterations and Improvements

A. Before beginning construction or installation of any improvement or alteration, *** (Name of Airline) *** will first submit to the Airport Director an airport building permit application that includes:

1. Detailed drawings of the proposed improvement or alteration or a description of the same that the Director considers sufficient to determine any impact of the proposed improvement or alteration on Airport facilities; and
2. Written proof of approval of the proposed improvement or alteration from all appropriate agencies.

B. DOT&PF will review and approve or disapprove the proposed improvement or alteration in writing within forty-five (45) days after receipt of the construction drawings referred to in this Section 11.04. However, DOT&PF will not approve proposed installation or construction that does not comply with paragraph E of this Section. Neither approval by DOT&PF of any construction design, nor any other review or approval will be deemed to waive *** (Name of Airline) ***'s legal responsibility to maintain and restore its Premises and to comply with all environmental laws and other applicable federal, state and local laws, regulations and ordinances relating to the construction, design, or operation of *** (Name of Airline) ***'s business. Neither will such review or approval work a waiver of any liability of *** (Name of Airline) ***, or an estoppel of any claim of DOT&PF.

C. If *** (Name of Airline) *** constructs or installs any improvement or makes any alteration on the Premises before obtaining a written approved Airport building permit, or without obtaining any necessary federal, state or local agency approval, DOT&PF may, at its sole discretion, require *** (Name of Airline) *** to repair or alter the unauthorized improvements or alterations to meet agency requirements for approval, or to remove the unauthorized improvement or alteration and restore the Premises. DOT&PF may also, in its discretion, impose, and *** (Name of Airline) *** shall pay, an administrative fee of not more than fifteen percent (15%) of the value of the unauthorized installation, improvements or alterations.

D. Any construction or installation proposed and carried out by or on behalf of *** (Name of Airline) *** must be designed and performed so as to satisfy the following criteria:

1. Be consistent with this Agreement;
2. Not interfere with operation of the Airport or activities of other tenants;
3. Be compatible with the architecture and interior design of the terminal as determined by DOT&PF, with any applicable tenant design standard adopted for the Airport, and with any Airport-provided infrastructure systems;
4. Be performed in a safe, neat manner, and completed at no cost to DOT&PF; and
5. Comply with all applicable federal, state, and local building, fire, health and safety codes, generally accepted engineering principles, and generally accepted principles of sound Airport management.

E. In the event that the construction or installation of any improvement or alteration by *** (Name of Airline) *** is determined by DOT&PF to be in violation of the terms and conditions of this Agreement or not in accordance with the drawings, plans or specifications approved by DOT&PF, then DOT&PF shall have the right to stop the

construction or installation or, if the work has been completed, to order its immediate removal.

F. Within thirty (30) days after completion of the construction of any alteration or improvement, *** (Name of Airline) *** will deliver to DOT&PF detailed copies of as-built drawings showing the location and dimensions of the alteration or improvement constructed, including structural, mechanical, and electrical systems.

G. In the event that any of *** (Name of Airline) ***'s contractors, sub-contractors, vendors, employees or any other person directly or indirectly acting for, through or under any of them, files or causes to be filed a contractor's, mechanic's or materialman's lien or other claim or lien against the Premises or any part of or interest in them, or any improvements on them, or against any moneys due to any contractors, sub-contractors, vendors or employees, then *** (Name of Airline) *** agrees to cause such liens and claims to be satisfied, removed or discharged within thirty (30) days after they are filed. Upon the failure of *** (Name of Airline) *** to cause such liens and claims to be satisfied, removed or discharged, DOT&PF shall have the right, to cause such liens and claims to be satisfied, removed or discharged. In addition to all other rights and remedies provided under this Agreement or by law, DOT&PF shall be entitled to collect from *** (Name of Airline) ***, and *** (Name of Airline) *** shall pay to DOT&PF as additional rent, any and all expenses DOT&PF incurs with respect to such liens and claims (including any legal fees and disbursements).

Section 11.05. DOT&PF Modification and Relocation

A. The Airport Director may relocate *** (Name of Airline) *** or modify any portion of its Premises if necessary to repair, renovate or modify the terminal building or apron if that repair, renovation or modification is not inconsistent with the ANC Terminal Redevelopment Project, or if required in order to accommodate a new entrant or expanding airline. Except in the case of withdrawal of Preferential Use Premises for failure to maintain the Utilization Rate under Section 4.04.D, if it is necessary to relocate *** (Name of Airline) *** in whole or in part to facilitate such objectives, DOT&PF will furnish *** (Name of Airline) *** written notice sixty (60) days in advance.

B. *** (Name of Airline) *** will vacate and surrender the affected Premises to DOT&PF at the time specified in the notice furnished by DOT&PF pursuant to this Section 11.05.

C. Except as provided in Section 4.04.F in the case of withdrawal of Preferential Use Premises for failure to maintain the Utilization Rate, if *** (Name of Airline) ***'s Premises are involuntarily modified or relocated by DOT&PF, DOT&PF will:

1. Reimburse *** (Name of Airline) ***'s for the unamortized cost of its approved improvements that are acquired, demolished, or not replaced in kind by DOT&PF at the new location. Reimbursement will be made on the basis of capital cost figures

furnished by *** (Name of Airline) *** and subject to verification by the Airport Director;

2. Provide *** (Name of Airline) *** with substantially similar space so that *** (Name of Airline) *** operations are not unreasonably disrupted. In the event of relocation, this Agreement will be modified to include *** (Name of Airline) ***'s new assigned space;

3. Construct the demising walls and interior improvements to *** (Name of Airline) *** new area. Interior improvements include wall coverings, floors, ceilings, doors, lighting, plumbing, electrical, heating units, air ventilation, requisite data and telecommunications lines, and fixtures. All material replacement will be similar in type and quality to those on the Premises being relocated; and

4. Offer to relocate *** (Name of Airline) ***'s fixtures, furnishings, and equipment at DOT&PF expense.

ARTICLE 12

Indemnification, Insurance and Subrogation

Section 12.01. Indemnification

A. *** (Name of Airline) *** will indemnify, save harmless, and defend DOT&PF, its officers, agents, and employees from and against any and all liabilities, losses, suits, administrative actions, claims, awards, judgments, fines, demands, damages, injunctive relief or penalties (specifically including civil penalties assessed by the FAA, USDOT or any other federal agency), of any nature or kind, for property damage, personal injury, death, violation of any regulation or grant agreement, or any other injury or harm, including sums paid in settlement of claims, attorney fees, consultant fees, expert fees, or other costs and expenses, directly or indirectly arising from, connected to or on account of this Agreement as it relates to *** (Name of Airline) ***, *** (Name of Airline) ***'s activities at or relating to the Airport System, or any act or omission by *** (Name of Airline) ***, or by any of its officers, employees, agents, contractors or sublessees.

B. The foregoing indemnity obligation shall apply to all matters subject to its terms, except that as between *** (Name of Airline) *** and DOT&PF, DOT&PF shall bear its own comparative fault for a liability, loss, suit, claim judgment, fine, demand, damage or penalty the legal cause of which is negligence or willful misconduct of DOT&PF, its employees, agents or contractors. If liability to a third party is subject to apportionment according to comparative fault under this provision, *** (Name of Airline) *** and DOT&PF shall seek in good faith to achieve non-judicial agreement as to apportionment of fault as between themselves.

C. *** (Name of Airline) *** shall give DOT&PF prompt notice of any suit, claim, action or other matter affecting DOT&PF to which paragraph A, above, may apply, together with a copy of any letter by an attorney on behalf of a complainant, any complaint filed in court, and any notice or complaint by any regulatory agency. *** (Name of Airline) *** shall also use counsel acceptable to DOT&PF and the Alaska Department of Law in carrying out its defense obligations under this paragraph, and DOT&PF shall also have the right, at its option, to participate cooperatively in the defense of and settlement negotiations regarding any such matter, without relieving *** (Name of Airline) *** of any of its obligations under this provision. These indemnity obligations are in addition to, and not limited by *** (Name of Airline) ***'s obligation to provide insurance, and shall survive the expiration or earlier termination of this Agreement.

Section 12.02. Insurance

A. DOT&PF will, during the term of this Agreement, procure and maintain property insurance for the Airport terminal building, and other DOT&PF facilities at the Airport in such amounts and for such insured coverages as may reasonably be required for the prudent operation of the Airport. *** (Name of Airline) *** acknowledges that DOT&PF is a governmental entity that has a program of self-insuring some or all of DOT&PF's risks of loss or damage. Therefore, some or all of the insurance requirements of this subsection may be satisfied through an equivalent self-insurance program.

B. *** (Name of Airline) *** will, during the term of this Agreement, procure and maintain liability insurance for public liability, aviation liability, the Premises, property damage, bodily injury and death, with contractual liability endorsements, insuring all of *** (Name of Airline) ***'s operations under this Agreement, including its obligations under the indemnity clause in Section 12.01 of this Agreement. These policies must have a per occurrence dollar amount of coverage not less than that set forth below based upon the maximum passenger seating design capacity of the largest capacity aircraft that *** (Name of Airline) *** operates at the Airport System, regardless whether *** (Name of Airline) *** actually uses that aircraft equipped with that number, or any, passenger seats. An aircraft with no design-specified passenger seating capacity will be considered to have the maximum passenger seating design capacity of the passenger aircraft with an airframe most equivalent in size. The policy dollar amounts of coverage stated below are minimums only; DOT&PF shall be entitled to the full benefit and protection of any higher dollar amount of coverage stated in an insurance policy actually carried by *** (Name of Airline) ***. These policies and minimum dollar amounts of coverage will be consistently applied to all airlines with similar operations and will be consistent with prudent airport industry practices and this Agreement. The following shall be the minimum dollar amounts of coverage for third-party liability insurance or equivalent insurance and do not require any specified minimum sub-limit per seat:

1. If the largest aircraft operated by *** (Name of Airline) *** at the Airport System has a designed maximum seat capacity of up to and including 99 seats:

Maximum number of seats x 0.75 x \$1,000,000 = Minimum dollar amount of coverage; or

2. If the largest aircraft operated by *** (Name of Airline) *** at the Airport System has a designed maximum seat capacity of 100 or more seats:

Maximum number of seats x \$1,000,000 = Minimum dollar amount of coverage.

C. Within thirty (30) days after signing this Agreement, *** (Name of Airline) *** will report to DOT&PF the maximum seating capacity installed in each aircraft or type of aircraft operated by *** (Name of Airline) *** at the Airport System. If the maximum seating capacity for any aircraft or type of aircraft operated by *** (Name of Airline) *** at the Airport System is later increased beyond the largest capacity previously reported to DOT&PF by *** (Name of Airline) ***, *** (Name of Airline) *** will report the change to DOT&PF and obtain any required additional insurance coverage before operating the aircraft at the Airport.

D. Each policy of insurance must be from a company satisfactory to DOT&PF, under policy forms no more restrictive than the standard form and satisfactory to DOT&PF. Each policy must provide that it may not be canceled or materially changed during its term without at least thirty (30) days advance written notice to DOT&PF. Each policy must state that it is primary, without any right to contribution from any other insurance, including self-insurance, that may be carried by DOT&PF.

E. A certificate on forms prescribed by the State certifying coverage of required insurance, and a declarations page or other evidence of the types, limits, deductibles, exclusions and endorsements must be delivered to DOT&PF within thirty (30) days of the effective date of this Agreement. The certificate must identify DOT&PF's reference number for this Agreement.

F. Where any such policy has a normal expiration during the term of this Agreement, *** (Name of Airline) *** will provide a certificate or satisfactory written evidence of continued coverage prior to such expiration. Within fifteen (15) days prior to the effective date of any cancellation or reduction in the amount or extent of insurance coverage, *** (Name of Airline) *** will deliver to DOT&PF a certificate or satisfactory written evidence certifying coverage that reinstates or otherwise provides at least the required insurance coverage.

G. The failure by either party at any time to enforce the provisions in this Section will not be construed as a waiver of these provisions and will not reduce either party's obligations under this Agreement.

H. DOT&PF reserves the right to modify the requirements of this Section 12.02 provided that such modifications are reasonable and appropriate.

Section 12.03. Waiver of Subrogation

DOT&PF and *** (Name of Airline) *** each agree to have all of its respective fire and extended coverage and material damage insurance carried with respect to the Airport, and *** (Name of Airline) ***'s aircraft hull coverage, endorsed with a clause that waives all rights of subrogation that the insurer of one party might have against the other party. To that effect, DOT&PF and *** (Name of Airline) *** will cause their insurance companies to endorse the affected property (fire and extended, multiple peril and aircraft hull) coverage with the waiver of subrogation.

Section 12.04. Additional Insured

*** (Name of Airline) *** agrees that every insurance policy required under Section 12.02.B will include an endorsement naming DOT&PF as an additional insured. Each policy must provide protection for DOT&PF in the same manner as though a separate policy had been issued to DOT&PF. Each policy must contain, to the extent available, a waiver of subrogation as to DOT&PF and its employees and agents, and of all rights to set-off, counterclaim or any other deduction to which DOT&PF or its employees or agents may be entitled, and that it may not be invalidated as to DOT&PF by any action or inaction of *** (Name of Airline) ***, including any breach by *** (Name of Airline) *** of any representation, declaration, condition, or warranty contained in the policy.

Section 12.05. Notice of Claim

Each party will give the other party prompt and reasonable notice of any suit, claim or action to which the indemnity provisions of Section 12.01.A would apply or relating in any way to this Agreement.

Section 12.06. Insurance Rates

*** (Name of Airline) *** may not use the Airport in any manner that will increase DOT&PF's insurance rates. If *** (Name of Airline) ***'s activities on the Airport result in increased insurance costs for DOT&PF, then DOT&PF may charge the increased cost to *** (Name of Airline) *** as additional rent.

ARTICLE 13

Assignment or Sublease; Ground-Handling Agreements

Section 13.01. Assignment or Sublease

A. *** (Name of Airline) *** shall not assign all or any portion of this Agreement, nor shall it enter into any sublease of Premises under this Agreement without the advance written approval of the Airport Director, and any attempted assignment or sublease without such advance written approval will be void and of no effect. The Airport Director will not unreasonably withhold such approval.

1. The Airport Director may approve a sublease of all or a portion of *** (Name of Airline) ***'s Premises so long as *** (Name of Airline) *** is not in default of any obligation under this Agreement, and if:

a. In the Airport Director's opinion, the proposed sublease is in the best interest of the Airport's operation;

b. *** (Name of Airline) *** subleases the space for an amount not exceeding the rent DOT&PF charges for that space plus *** (Name of Airline) ***'s maintenance and operation costs, an additional allowance for amortization of *** (Name of Airline) ***'s improvements; and

c. The term of any sublease does not extend beyond the expiration of the term of this Agreement.

2. The Airport Director's consent to any sublease does not relieve *** (Name of Airline) *** of the necessity of obtaining the Airport Director's consent to any future sublease.

3. The Airport Director may approve an assignment of this Agreement so long as *** (Name of Airline) *** is not in default under this Agreement and if all of the following conditions are met:

a. In the Airport Director's opinion, the proposed assignment is in the best interest of the Airport System;

b. *** (Name of Airline) *** assigns the Agreement to an airline qualified under 17 AAC 42 to execute the Agreement and capable of complying with all the requirements of this Agreement, and that qualified airline agrees in writing to assume all of *** (Name of Airline) ***'s obligations and liabilities under this Agreement; and

c. *** (Name of Airline) *** assigns this Agreement for an amount not exceeding the unamortized cost of *** (Name of Airline) ***'s tenant improvements and personal property transferred as part of the assignment.

B. If this Agreement is assigned pursuant to the bankruptcy code, 11 U.S.C. § 101 et seq., any consideration for the assignment greater than the amount permitted under Section 13.01.A.3.c is the exclusive property of DOT&PF and is not the property of *** (Name of Airline) *** or *** (Name of Airline) ***'s estate under the Bankruptcy Code.

Section 13.02. Merger

This Article does not prevent the assignment of this Agreement, so long as *** (Name of Airline) *** is not in default under this Agreement, to any corporation or business entity that merges, consolidates, or succeeds to the business of *** (Name of Airline) ***, so long as the successor corporation or business entity assumes the rights and obligations of this Agreement and written documentation of the assignment and acceptance of obligations is given to the Airport Director within thirty (30) days after the effective date of the merger, consolidation, or succession.

Section 13.03. Ground-Handling Services

A. So long as *** (Name of Airline) *** is not in default under this Agreement, it may perform for another airline at an Airport, all or a portion of the functions that it may perform for itself under the provisions of Article 3 of this Agreement ("Ground-Handling Services") so long as *** (Name of Airline) *** is itself actively engaged in providing Commercial Air Transportation at that Airport, and provided that the Airport Director shall have approved in advance the contract for providing Ground-Handling Services to such other airline (the "Ground-Handling Agreement"). However, if *** (Name of Airline) *** provides to the Airport Director within ninety (90) days of the effective date of this Agreement a copy of a Ground-Handling Agreement in effect at the Airport between *** (Name of Airline) *** and one or more other specified parties as of that effective date, such pre-existing Ground-Handling Agreement between those parties shall not be subject to approval by the Airport Director so long as no party to that agreement complains or objects to the Airport Director. If at any time the Airport Director receives a written complaint or objection from a party to such a pre-existing Ground-Handling Agreement, that agreement shall become subject to approval by the Airport Director. In performing such Ground-Handling Services, *** (Name of Airline) *** may use its own Premises or the Premises of the airline for which it is providing Ground-Handling Services.

B. The Airport Director may approve a Ground-Handling Agreement if:

1. In the Airport Director's opinion, the proposed Ground Handling Agreement is in the best interest of the Airport's operation; and

2. The charges assessed by *** (Name of Airline) *** for providing such Ground-Handling Services are reasonable under the circumstances, including amounts for labor, materials and administration; and

3. The term of any Ground-Handling Agreement does not extend beyond the expiration of the term of this Agreement; and

4. The Airport Director concludes that competition among airlines will not be adversely affected by the Ground-Handling Agreement.

C. The Airport Director's consent to any Ground-Handling Agreement does not relieve *** (Name of Airline) *** of the necessity of obtaining the Airport Director's consent to any future Ground-Handling Agreement with the same or any other airline.

D. The Airport Director will not unreasonably withhold approval of a Ground-Handling Agreement under this Section.

ARTICLE 14

Default and Termination

Section 14.01. Suspension of Privileges, and Right to Reenter and Re-let After Default

A. Without terminating this Agreement and time being of the essence, *** (Name of Airline) *** will be in default, and all of *** (Name of Airline) ***'s rights and privileges, but not its responsibilities and obligations, as a Signatory Airline under this Agreement, other than use and occupancy of its Premises and Airport facilities, will be automatically suspended without further notice, upon the occurrence of any of the following events of default:

1. *** (Name of Airline) *** fails to pay any rent or fee or any other charge as provided for in this Agreement, including interest, within ten (10) days after the date it is due, or

2. *** (Name of Airline) *** violates any provision of, or fails timely to perform any of its obligations under, this Agreement, or

3. *** (Name of Airline) *** fails to continue to perform any obligation of this Agreement after performance is commenced.

B. Without terminating this Agreement and time being of the essence, DOT&PF may immediately reenter, renovate, and re-let all or part of the Premises to others and reassign any associated Preferential Use Privilege for any Aircraft Parking Position to others for the account of *** (Name of Airline) *** if *** (Name of Airline) *** either:

1. Fails to pay any rent or fee or any other charge provided for in this Agreement, including interest, within ten (10) days after receipt of written notice of default, or

2. Fails to immediately cure a default in performance of any obligation under this Agreement within thirty (30) days after receipt of written notice of default. If the nature of the default is such that it cannot be cured within thirty (30) days after the written notice of default by DOT&PF to *** (Name of Airline) ***, *** (Name of Airline) *** will be deemed to have cured the default if it commences to cure the default within the thirty (30) day period and thereafter diligently continues the cure to completion, or

3. Fails to continue to perform any obligation of this Agreement after performance is commenced, or

4. If any petition, proceeding, or action by, for, or against *** (Name of Airline) *** is filed under any insolvency, bankruptcy, reorganization, relief of debtors, or receivership law and is not dismissed by the court within sixty (60) days of the petition, proceeding, or action.

C. In the event of reentry, DOT&PF will charge *** (Name of Airline) *** renovation costs necessary to restore the Premises to the condition of the Premises as of *** (Name of Airline) ***'s first occupancy, plus a fifteen percent (15%) administrative fee for all re-let sublease rent received by DOT&PF for *** (Name of Airline) ***'s re-let space. *** (Name of Airline) *** will reimburse DOT&PF for any deficiency in rents or fees received for the reentered or re-let space. A deficiency is the difference between *** (Name of Airline) ***'s rent and the re-let rent before considering the fifteen percent (15%) administrative fee.

D. Subject to Section 14.04 of this Agreement, before or after a reentry and re-letting as provided in this Section, DOT&PF may terminate all of *** (Name of Airline) ***'s rights under this Agreement, and cancel all rights and privileges granted to *** (Name of Airline) *** without any restriction on recovery by DOT&PF for past due rents and fees owed by *** (Name of Airline) ***.

E. Any default under A.1 or B.1 of this Section shall continue until DOT&PF has received from *** (Name of Airline) *** all payments due and owing to DOT&PF through the date *** (Name of Airline) *** next timely submits the Certified Activity Report and payment described in Section 11.01.C of this Agreement.

F. DOT&PF has any and all additional rights and remedies as provided by law.

Section 14.02. Partial Termination Due to Damage or Destruction

A. If any Premises, terminal buildings, structures, or any portions of them are damaged by fire or other casualty, DOT&PF will notify *** (Name of Airline) *** within ninety (90) days

of the damage whether the damaged space is to be repaired. If the damaged space is to be repaired, DOT&PF will repair the damage with due diligence and will abate the rent allocated to the particular building, room, or other portion of the space rendered untenable for the period from the occurrence of the damage to the completion of the repairs. DOT&PF will do its best to provide *** (Name of Airline) *** with any available temporary substitute space at the rent deemed reasonable by DOT&PF until the repairs are completed.

B. If DOT&PF fails to notify *** (Name of Airline) *** within ninety (90) days after destruction that DOT&PF will repair the damaged space, *** (Name of Airline) *** may elect within one-hundred-twenty (120) days after destruction to terminate this Agreement as to the space damaged or destroyed, or as to all of the Premises if *** (Name of Airline) *** is unable to reasonably conduct its operations with that portion of the Premises remaining, effective on the date of the damage.

Section 14.03. Events Permitting Termination by *** (Name of Airline) ***

*** (Name of Airline) *** may terminate this Agreement if:

1. *** (Name of Airline) *** is prohibited by lawful authority from using the Airport because of any deficiency or unsafe operating condition at the Airport for a period exceeding sixty (60) days. *** (Name of Airline) *** may terminate this Agreement after the sixty (60) days by giving DOT&PF thirty (30) days advance written notice; or
2. DOT&PF does not perform any material covenant in this Agreement for a period of sixty (60) days after written notice of default to DOT&PF by *** (Name of Airline) ***. DOT&PF will be deemed to have cured the default if DOT&PF commences to cure the default within the sixty (60) day period and diligently continues the cure to completion.

Section 14.04. Events Permitting Termination by DOT&PF

Time being of the essence, DOT&PF may terminate this Agreement immediately and exercise all rights of entry and reentry upon the Premises after the occurrence of any of the following events:

1. *** (Name of Airline) *** fails to provide Commercial Air Transportation to and from either Airport as indicated by landing no flights at an Airport for a period of sixty (60) days, by failing to make at least one Landing of an aircraft of 6,000 pounds or greater Certificated Maximum Gross Takeoff Weight at an Airport in ten (10) or more calendar weeks within any twelve (12) month period, or as DOT&PF determines otherwise that *** (Name of Airline) *** has ceased to provide Commercial Air Transportation;

2. *** (Name of Airline) *** fails to pay any rent, fee or other charge due as provided for in this Agreement, including interest, within thirty (30) days after *** (Name of Airline) ***'s receipt of written notice of default from DOT&PF;
3. *** (Name of Airline) *** does not perform any other material provision in this Agreement for a period of sixty (60) days after receipt of written notice of default from DOT&PF. If the nature of the default is such that it cannot be cured within sixty (60) days after written notice of default by DOT&PF to *** (Name of Airline) ***, *** (Name of Airline) *** will be deemed to have cured the default if it commences to cure the default within the sixty (60) day period and diligently continues the cure to completion;
4. *** (Name of Airline) *** or its creditors file a request for *** (Name of Airline) ***'s relief under any state or federal insolvency, bankruptcy, reorganization, relief of debtors, or receivership statute and any resulting proceeding is not dismissed by the court within sixty (60) days of the request; or
5. A custodian, trustee, receiver, or agent, or any similar person is appointed or authorized to take charge of a substantial part of *** (Name of Airline) ***'s property on the Airport.

Section 14.05. Surrender of the Premises and Removal of Property

Upon the expiration or termination of this Agreement, and upon a vacation, authorized or required under this Agreement, of all or any portion of the Premises, including vacation by reason of a notice under Section 4.04.D, *** (Name of Airline) *** agrees to surrender the affected Premises peaceably and in good condition, except for (i) reasonable wear and tear, (ii) loss or damage by fire or other casualty if such loss or damage is fully covered by insurance with respect to which DOT&PF is a named insured or loss payee, (iii) damage resulting from any act of DOT&PF, its employees, agents, contractors, invitees, licensees and guests, (iv) damage caused by any airline, its agents, contractors, invitees, and guests, to which DOT&PF granted shared use rights with respect to *** (Name of Airline) ***'s Preferential or Exclusive Use Premises and with respect to which use *** (Name of Airline) *** had no written agreement with that airline, (v) any changes occasioned by condemnation, and (vi) alterations that DOT&PF approved in writing as not subject to restoration under this Section. Except to the extent the Airport Director requests or consents otherwise, and except as provided under Section 4.04.D, *** (Name of Airline) *** shall, within ten (10) days after expiration or termination, remove from the affected Premises all of its furniture, fixtures, equipment, improvements that can be removed without causing damage to the Premises, any other of its improvements that the Airport Director requires to be removed with repair of any resulting damage, including wiring if requested by DOT&PF, trash and any other item for which *** (Name of Airline) *** is responsible, and except to the extent that DOT&PF requests or consents otherwise, restore the affected Premises as nearly as possible to pre-occupancy condition to the satisfaction of DOT&PF. DOT&PF reserves the right to more fully restore the Premises to

its satisfaction and to charge *** (Name of Airline) *** for such restoration, which charge *** (Name of Airline) *** agrees to pay as additional rent.

Section 14.06. Ownership of Improvements

A. The ownership of furniture, furnishings, fixtures and equipment, that are constructed or installed on the Premises by *** (Name of Airline) *** is as follows:

1. Title to all such furniture, furnishings, fixtures, or equipment that are removable without causing damage to the Premises, remains vested in *** (Name of Airline) *** at all times during the term of this Agreement, provided, however, that in the event any such removable furniture, furnishings, fixtures, or equipment are financed with the proceeds of tax-exempt bonds, title to such improvements shall vest in the DOT&PF immediately upon their installation. Unless the Airport Director consents otherwise, and except as provided under Section 4.04.D, within thirty (30) days after the expiration or termination of this Agreement, or after any notice given to *** (Name of Airline) *** under this Agreement to vacate all or any portion of the Premises, including any such notice under Section 4.04.D, all removable furniture, furnishings, fixtures, and equipment remaining on the Premises will, at the discretion of DOT&PF, become the property of DOT&PF. Alternatively, DOT&PF may sell, modify, destroy or otherwise dispose of such unremoved property as it sees fit. *** (Name of Airline) *** shall reimburse DOT&PF within thirty (30) days after invoicing for any net cost DOT&PF may incur in removing and disposing of such property.

2. Title to any structure or other improvement that cannot be removed without causing damage to the Premises, in the reasonable determination of the Airport Director, vests in DOT&PF upon the expiration or termination of this Agreement unless provided otherwise in a successor agreement. These improvements include interior walls, ceilings, carpeting, finished flooring, electrical wiring, air conditioning ducts and equipment, furnishings, interior decoration, or finishing.

B. *** (Name of Airline) *** shall not abandon any property on the Premises, or elsewhere on the Airport, without the advance written consent of the Airport Director. At its sole expense, *** (Name of Airline) *** will restore all damaged DOT&PF property to its previous condition or reimburse DOT&PF for the expense to repair any property damage.

ARTICLE 15

Compliance with Law, Taxes, Policies, Rules and Regulations; Non-Discrimination

Section 15.01. Compliance With Law

*** (Name of Airline) *** will comply with all present and future statutes, regulations, and ordinances of all federal, state, or local governments that apply to or affect *** (Name of Airline) *** or its operations under this Agreement. DOT&PF will comply with all applicable laws governing its operations under this Agreement.

Section 15.02. Taxes

A. *** (Name of Airline) *** will pay, but payment may not be considered part of Airport System Revenue, all taxes (including any possessory interest tax, assessment, or similar charge) that at any time during this Agreement are levied or lien against *** (Name of Airline) ***, against the Airport facilities made available for *** (Name of Airline) ***'s exclusive use, or against *** (Name of Airline) ***'s personal property. *** (Name of Airline) *** will pay such taxes, assessments, and charges directly to the taxing or assessing authority.

B. *** (Name of Airline) *** will indemnify and defend DOT&PF from all costs that result directly or indirectly from any tax or assessment for which *** (Name of Airline) *** is liable, including taxes, penalties, expenses, and reasonable attorneys' fees incurred by DOT&PF.

C. At its own expense, *** (Name of Airline) *** may contest the amount or validity of any tax or assessment or similar charge, or contest the inclusion of the space leased under this Agreement as taxable or assessable property, directly with the taxing or assessing authority. *** (Name of Airline) *** will indemnify DOT&PF for all taxes, penalties, costs, expenses, and reasonable attorneys' fees incurred by DOT&PF resulting directly or indirectly from any such tax contest.

D. Upon termination or expiration of this Agreement, *** (Name of Airline) *** will promptly pay in full all due and payable taxes and liens.

Section 15.03. Policies

A. *** (Name of Airline) *** will comply with all applicable provisions of each Airport Certification Manual and Airport Security Program and with all Airport Directives as set forth by the Airport Director.

B. DOT&PF agrees not to promulgate any regulations, Policies and Procedures, or local Airport Directives governing use of the Airport facilities or *** (Name of Airline) ***'s operations under this Agreement that are contradictory to:

1. This Agreement;
2. Any applicable regulation of the FAA; or
3. Any government agency regulation that is binding upon *** (Name of Airline) ***.

C. DOT&PF will give *** (Name of Airline) *** an opportunity to review and comment in advance on any proposed DOT&PF regulations and Airport Directives that may reasonably be expected to affect *** (Name of Airline) ***'s operations under this Agreement, other than those regulations or Airport Directives issued on an emergency basis.

Section 15.04. Nondiscrimination

A. *** (Name of Airline) *** agrees that discrimination on the grounds of race, color, religion, national origin, ancestry, marital status, age, or sex will not be permitted against any patron, employee, applicant for employment, other person or groups of persons in any manner prohibited by federal or state law. DOT&PF may take any action necessary to enforce this provision, including actions required by any federal or state law or FAA grant agreement.

B. *** (Name of Airline) *** will undertake any affirmative action program as required by 14 C.F.R. Part 152, Subpart E, or any superseding or substitute regulation, to ensure that no person is excluded from participating in any employment, contracting, or leasing activity on the grounds of race, creed, color, national origin, or sex. *** (Name of Airline) *** agrees that no person may be excluded on those grounds from participating in or receiving the services or benefits of any program or activity covered by the regulation. *** (Name of Airline) *** will require its covered sub-organizations to provide assurance that they will also undertake affirmative action programs and require assurances from their sub-organizations, as required by 14 C.F.R. Part 152.

ARTICLE 16

Effect on Other Agreements

Section 16.01. Agreement Not to Grant More Favorable Terms

A. Except as allowed in Sections 16.01.B and 16.02, DOT&PF agrees not to charge any airline lower rates, fees and charges than are charged on a unit basis to *** (Name of Airline) *** under this Agreement, and agrees not to violate the non-discrimination requirements of the Federal Aviation Act of 1958, as amended, and grant assurances given the FAA by the State. This Section 16.01 shall not apply to any airline that operates only aircraft with Certificated Maximum Gross Takeoff Weight(s) less than 30,000 pounds.

B. Subject to the requirements of 17 AAC 42, and after consultation with the Signatory Airlines, DOT&PF may use its prerogative to negotiate more favorable Fairbanks terminal rent if DOT&PF makes a written determination that such Fairbanks terminal space is otherwise unmarketable.

Section 16.02. Inducements Permitted

DOT&PF reserves the right to take reasonable measures to induce new or expanded service at, or use of, an Airport, including the offering and provision of reasonable service and financial advantages of limited duration. DOT&PF will provide the Signatory Airlines an opportunity to review and comment on any and all proposed inducements before implementation.

ARTICLE 17

General Provisions

Section 17.01. Delivery of Notices

A. Required notices must be hand-delivered or sent by facsimile (but only if followed by a confirmation copy sent by one of the other methods of delivery), registered or certified mail, or by a nationally or internationally recognized private courier service to the addresses below:

1. DOT&PF: As applicable to each respective Airport:

Ted Stevens Anchorage International Airport
Leasing & Property Management
P.O. Box 196960
Anchorage, Alaska 99519-6960
Facsimile number: 907-266-2458

Fairbanks International Airport
Leasing & Property Management
6450 Airport Way, Suite 1
Fairbanks, Alaska 99709
Facsimile number: 907-474-2470

2. *** (Name of Airline) ***: Address: _____

Facsimile number: _____

B. If notice is given in any other manner or at any other place, notice must also be given in writing at the place and in the manner specified in this Section in order to be effective under this Agreement. All notice periods begin on the date of receipt of written notice at the address listed in Section 17.01.A except as provided elsewhere in this Agreement.

C. Either party may change the address in this Section by written notice to the other party.

Section 17.02. Severability

If any part of this Agreement is declared to be invalid by a court of competent jurisdiction, the other parts of the Agreement remain in full force.

Section 17.03. Officers, Agents, and Employees

No commissioner, director, officer, agent, employee, or other representative of either party may be charged personally nor held contractually liable by the other party for the enforcement, attempted enforcement, or breach of this Agreement if acting within the scope of their duties. This provision shall have no effect upon any liability of DOT&PF or *** (Name of Airline) *** for the acts of these persons that are within the scope of their duties.

Section 17.04. Subordination to Agreements with the U.S. Government and to Emergency Declarations

This Agreement is subject to any present or future agreement between DOT&PF and the United States of America concerning the operation or maintenance of the Airport System. *** (Name of Airline) *** may not hold DOT&PF liable for any failure to perform any part of this Agreement as a result of any national emergency declared by the federal government or any state emergency declared by the State.

Section 17.05. Incorporation of Required Provisions

The parties agree to incorporate into this Agreement any provision required by any governmental agency, including DOT&PF acting in its nonproprietary capacity, now or in the future.

Section 17.06. Non-waiver of Rights

No failure to enforce any provision of this Agreement shall be construed to be a waiver of that provision, except as stated in writing. No waiver of default of any part of this Agreement by either party shall operate as a waiver of any subsequent default of any part of this Agreement that is to be performed by the other party. No instance of consent or notice by either party shall be construed to be consent or notice of any independent matter or event.

Section 17.07. Force Majeure

Neither DOT&PF nor *** (Name of Airline) *** shall be deemed to be in violation of this Agreement if it is prevented from performing any of the obligations imposed under this Agreement by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, act of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is beyond its control; provided, however, that this Section shall not excuse *** (Name of Airline) *** from paying the rentals, fees and charges specified in this Agreement. DOT&PF shall be under no obligation to furnish any service or supply any utility if and to the extent and during any period that the furnishing of any such service or the supplying of any such utility, or the use of any device or component necessary therefor, shall be prohibited or rationed by any Federal or State law, rule, regulation, requirement, order or directive.

Section 17.08. Contract Interpretation

The headings of articles and sections are used only for convenience and reference, and may not be used to define or interpret the scope or intent of this Agreement. Words denoting the singular shall include the plural and vice versa. The language in all parts of this Agreement must be construed according to its fair meaning and not strictly for or against either DOT&PF or *** (Name of Airline) ***.

Section 17.09. Federal Aviation Act, Section 308

Nothing in this Agreement shall be deemed to grant to *** (Name of Airline) *** any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended, for the conduct of any activity at the Airport.

Section 17.10. Radio Interference

At DOT&PF's request, *** (Name of Airline) *** will stop using any machine or device that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

Section 17.11. Obtaining Federal and State Funds

DOT&PF will use its best efforts to obtain maximum entitlement grants from federal, state, or other sources when consistent with prudent management of the Airport System.

Section 17.12. Management Audits

DOT&PF will conduct periodic management and operation audits of the Airport System and the IARF. DOT&PF will use its best efforts to implement the reasonable recommendations of the audits.

Section 17.13. Project Management

DOT&PF will use its best efforts to implement Capital Projects with efficient and responsive project management.

Section 17.14. PFCs

DOT&PF reserves the right to institute a PFC if it desires and if the FAA approves. If a PFC is instituted, its proceeds will, for the purposes of this Agreement, not be included in Revenue but will be dedicated to funding, directly or indirectly, Airport System Capital Projects. Proceeds of such a charge collected from passengers or third-party ticket sellers by *** (Name of Airline) *** and other passenger airlines serving the Airport System will be deemed the property of DOT&PF, held in trust for the State pending remittance to DOT&PF.

Section 17.15. Governing Law

This Agreement is governed by the laws of the State of Alaska. Any legal action filed by *** (Name of Airline) *** involving this Agreement must be filed in the State of Alaska, Third Judicial District at Anchorage. The Third Judicial District at Anchorage shall be deemed proper for all purposes unless DOT&PF requests or consents in writing to venue in the Fourth Judicial District at Fairbanks.

Section 17.16. Inspection of Books and Records

At its own expense and upon reasonable notice, each party has the right from time-to-time to inspect the books, records, or other data of the other party relating to this Agreement. Inspections must be conducted during regular business hours.

Section 17.17. Generally Accepted Accounting Principles

Any report or disclosure referred to in this Agreement that contains financial information must be prepared in accordance with applicable generally accepted accounting principles unless otherwise noted in this Agreement.

Section 17.18. Modification Necessary for Grant of FAA Funds

A. If the FAA requires that this Agreement be amended as a condition precedent to the granting of funds for the improvement of the Airport, *** (Name of Airline) *** agrees to consent to any amendment that is reasonably required in order to enable DOT&PF to obtain the grant of funds.

B. If any FAA required amendment impairs *** (Name of Airline) ***'s rights under this Agreement or causes *** (Name of Airline) *** any unreasonable expense, *** (Name of Airline) *** may terminate this Agreement within sixty (60) days by notice to DOT&PF.

Section 17.19. Consent Not to be Unreasonably Withheld

Neither DOT&PF nor *** (Name of Airline) *** will unreasonably withhold any consent or approval required by this Agreement.

Section 17.20. Prudent Operations

DOT&PF will manage the Airport System in a prudent and reasonable manner.

Section 17.21. Independent Contractor

*** (Name of Airline) *** is neither an agent nor an employee of DOT&PF but is an independent contractor with respect to all *** (Name of Airline) ***'s activities on the Airport, including any installation, construction, or service provided.

Section 17.22. Entire Agreement

Except as described in Section 17.25, this Agreement with all attached exhibits constitutes the entire agreement between DOT&PF and *** (Name of Airline) *** at the Airport. Statements previously made, verbal or written, are merged in this Agreement. Until signed by the Commissioner of DOT&PF or his designated representative, this Agreement is of no effect. Other than the self-effective supplements described in Section 4.04, this Agreement may only be amended in a writing that is signed by the authorized representatives of both parties.

Section 17.23. Condemnation

If any of *** (Name of Airline) ***'s rights and privileges under this Agreement are condemned by any proper authority, including the State of Alaska, this Agreement terminates automatically on the date *** (Name of Airline) *** is required to surrender possession of the property. DOT&PF is entitled to all the condemnation proceeds except *** (Name of Airline) *** will be paid only the portion of the proceeds attributable to the fair market value of any improvements placed on the Premises by *** (Name of Airline) ***

according to the provisions of 17 AAC 42.255 or as amended, and not any compensation for consequential or severance damages including business damage, lost profits, or leasehold advantage. Rent will be adjusted according to the provisions of 17 AAC 42.255 or as amended.

Section 17.24. Incorporation of Exhibits

Exhibits "A" through "P" are fully incorporated into and are a part of this Agreement.

Section 17.25. Preexisting Agreements

A. The following agreements between *** (Name of Airline) *** and DOT&PF at the Airport are terminated by the execution and delivery of this Agreement:

<u>DOT&PF FILE NO.</u>	<u>SPACE OR PROPERTY LEASED</u>
None	Per Agreement

B. *** (Name of Airline) *** and DOT&PF agree that the only agreements in existence at the Airport between *** (Name of Airline) *** and DOT&PF on the effective date of this Agreement are this Agreement and those listed below:

<u>DOT&PF FILE NO.</u>	<u>SPACE OR PROPERTY LEASED</u>
None	Per Agreement

Section 17.26. Electronic Funds Transfers

DOT&PF reserves the right to require by written notice that *** (Name of Airline) *** make all payments of a specified amount or greater by electronic funds transfer, and *** (Name of Airline) *** agrees to make all payments subject to that requirement in the manner directed in the notice. For payment to be submitted with a Certified Activity Report under Section 11.01.C.3, a copy of a receipt or other evidence of the fund transfer request must accompany the submittal of the report.

Section 17.27. Designation of Authorized Representative

*** (Name of Airline) *** shall appoint and designate a representative to act on its behalf with respect to all matters required or permitted under this Agreement to be approved or undertaken by the Signatory Airlines or an Airline Majority, and with respect to all other matters arising under this Agreement. *** (Name of Airline) *** shall notify DOT&PF as to *** (Name of Airline) ***'s designation, and as to any change in designation, by written notice under Section 17.01 of this Agreement. The person so designated shall be *** (Name of Airline) ***'s authorized representative on the Airport/Airline Affairs Committee.

Exhibits

Exhibit "A"	Property drawing of ANC showing boundaries and essential facilities, and Lake Hood Airport Complex.
Exhibit "B"	Property drawing of FAI showing boundaries and essential facilities.
Exhibit "C"	Five Year Capital Improvement Program, including project descriptions, cost estimates, and scheduling.
Exhibit "D"	Utilization Rate minimum criteria for ANC and FAI.
Exhibit "E"	Description of uses applicable to and a description of any space for Exclusive, Preferential, Common, and Preferential Use Aircraft Parking Position(s) specific to <u>*** (Name of Airline) ***</u> at ANC. (This exhibit also shows any "primary baggage claim device(s)" for <u>*** (Name of Airline) ***</u> .)
Exhibit "F"	Description of uses applicable to and a description of any space for Exclusive, Preferential, Common Use Premises, and Preferential Use Aircraft Parking Position(s) specific to <u>*** (Name of Airline) ***</u> at FAI.
Exhibit "G"	ANC Cost Center drawing.
Exhibit "H"	FAI Cost Center drawing.
Exhibit "I"	Drawing showing all Aircraft Parking Positions and any Preferential Use Aircraft Parking Position(s) specific to <u>*** (Name of Airline) ***</u> at ANC.
Exhibit "J"	Drawing showing all Aircraft Parking Positions and any Preferential Use Aircraft Parking Position(s) specific to <u>*** (Name of Airline) ***</u> at FAI.
Exhibit "K"	Drawing showing any space for Exclusive, Preferential, and Common Use Premises specific to <u>*** (Name of Airline) ***</u> at ANC.
Exhibit "L"	Drawing showing any space for Exclusive, Preferential, and Common Use Premises specific to <u>*** (Name of Airline) ***</u> at FAI.
Exhibit "M"	Cost Allocation Methodology.
Exhibit "N"	Sample Capital Project Ballot
Exhibit "O"	North Terminal Common Use Premises – ANC
Exhibit "P"	South Terminal Common Use Premises - ANC

The Parties have executed this Agreement on the dates below:

(FULL CORPORATE)

By: _____

Title: _____

STATE OF _____)
_____) ss.
_____))
(Judicial District or County)

THIS IS TO CERTIFY that on this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, known to me and to me known to be the _____ of and for ***(FULL CORPORATE)***, a party named in the foregoing instrument, and who acknowledged to me that the same was freely and voluntarily executed and entered into on behalf of ***(Name of Airline)*** with full knowledge of its contents, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public in and for: _____
My Commission Expires: _____

**STATE OF ALASKA,
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

By: _____
Title: _____

STATE OF ALASKA)
_____) ss.
3rd JUDICIAL DISTRICT _____)

THIS IS TO CERTIFY that on this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, known to me and to me known to be the _____ of and for the Department of Transportation and Public Facilities, State of Alaska, a party named in the foregoing instrument and who acknowledged to me that the same was freely and voluntarily executed on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and who is authorized by said State of Alaska so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year written above.

Notary Public in and for Alaska
My Commission Expires: _____